

The Altair logo consists of two overlapping purple circles. The word "Altair" is written in white, sans-serif font across the intersection of the two circles.

Altair

LB Southwark

Appraising the Options for  
the Tustin Estate

Cost-Benefit Analysis

September 2020

in partnership with

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Our report is addressed to the London Borough of Southwark. We stress that our report is confidential and prepared for the addressees only. It should not be used, reproduced or circulated for any other purpose, whether in whole or in part without our prior written consent, which consent will only be given after full consideration of the circumstances at the time. If the report is released to a third party without prior consent from Altair, we do not acknowledge any duty of care to the third party and do not accept liability for any reliance placed on the report.

## Glossary of Terms

The report contains a number of different terms. For reference, we have provided a summary of these terms and their definitions below.

<b>Cost Benefit Analysis (CBA)</b>	A HM Treasury Greenbook appraisal methodology which proposes that outcomes of a proposed public programme should be monetised wherever possible and evaluated qualitatively where monetisation is not appropriate
<b>Monetised</b>	Described using monetary terms, using calculations and proxy values backed by evidence
<b>Qualitative</b>	Described in words
<b>Options</b>	Five proposed high-level designs for the future of the estate, including options that propose minimal changes to the estate and options that propose significant rebuilding of the whole estate
<b>Outcome Categories</b>	Areas analysed as part of the CBA including social, economic and environmental areas. Outcome categories are derived from areas of importance included in the Residents' Manifesto and input from LB Southwark, residents and the wider public.
<b>Outcomes</b>	The values resulting from analysis of the outcome categories for each option. Outcomes may be positive or negative and are described both qualitatively and quantitatively.
<b>Costs</b>	Negative monetised or qualitative outcomes
<b>Benefits</b>	Positive monetised or qualitative outcomes
<b>Economic Assessment</b>	Monetised assessment of outcome categories. The economic assessment considers outcomes for each of the options on public space, housing, employment and council tax.
<b>Impact Assessment</b>	Qualitative assessment of outcome categories. The impact assessment considers outcomes for each of the options on the local economy, school and school-age children, environmental sustainability, social & community, social infrastructure and placemaking, health and wellbeing, safety and moving-related changes.
<b>Net present Social Value</b>	A HM Treasury Greenbook appraisal methodology for comparing the findings of the economic assessment by summing costs and benefits and cash flowing these values over a 60-year period by applying inflation and discount rates. The purpose of using a net present social value is to provide a figure by which the economic assessments from all options may be compared. It represents the social value today of the option, considering factors like risk and the cost of money.

## How to Use this Report

The following report contains findings from a cost-benefit analysis conducted by Altair in partnership with the London Borough of Southwark. It forms part of the options appraisal for future Tustin Estate low-rise homes. The report serves two purposes:

- It provides the council with an assessment of the potential impact of five proposed options for the estate.
- It provides residents and the public with details of how the five proposed options may impact them and their local community. Information may be used to support voting on a preferred option in Autumn 2020.

The report is divided into two sections. Both sections contain relevant information for LB Southwark, residents and the public. The first section monetises potential outcomes of the options using methodologies proposed by government, scientific and academic institutions. The second section describes outcomes that may not be monetised, but that are important areas for consideration. Both sections contain economic, environmental and social outcome categories.

Key findings from the two sections are summarised below.

### Findings of the Economic Assessment

The economic assessment reveals that Option 4 (Tustin Common) delivers the highest Net Present Social Value (NPSV) at c. £134.8m over the lifetime of the programme, followed by Option 5 (Tustin Common + Manor Grove Infill) at c. £126.4m, Option 3 (Partial Refurbishment and Part Demolition and Rebuild) at c. £101.9m and Option 2 (Refurbishment) at c. £34.9m. These figures are significantly impacted by additional expenditure by new residents in the local area. If additional local expenditure is not considered in the assessment, Option 3 delivers the highest NPSV, at c. £40.7m, followed by Option 4 at c. £39.1m, Option 5 at c. £34.3m and Option 2 at c. £16.1m.

### Findings of the Impact Assessment

The impact assessment reveals that Options 3 – 5, which see a greater proportion of re-provided and/or new housing, have the greatest potential to positively impact quality of life on the estate. This impact may be felt especially for children growing up in the future. This is because these options provide new and higher-quality housing that complies with most up-to-date space, fire safety and health and safety standards. Options 4 and 5, which see a re-configuration of the estate, also offer benefits for households such as better, more accessible green space with designs that promote openness and safety. However, these proportionately larger benefits are met with potentially larger costs compared to other options. For example, Options 3 – 5 also may result in the greatest changes to the local economy as a result of higher home and commercial space values. They may also result in disruption to local communities and social networks as new homes are built and new households move onto the estate

## 1 | Introduction

### 1.1. About Altair

1.1.1. Altair is a multidisciplinary consultancy working with clients in the affordable housing and property sectors. Our work is predominantly in the UK, but we also work internationally through Altair International. Services provided include strategy and change, governance, treasury and finance, HR and people, and property. Our clients include housing associations, local authorities, arm's length management organisations and nation state governments.

1.1.2. Altair is a subsidiary of the Aquila Services Group, whose purpose is 'making a better, more sustainable, socially responsible world'. As part of this, Altair is committed to using evidence-based research methods to support housing providers and residents in their decision making, and in developing future strategies and policies.

### 1.2. About the Cost Benefit Analysis

1.2.1. Altair was commissioned by the London Borough of Southwark ("**LB Southwark**") in December 2019 to undergo a viability assessment and cost-benefit analysis ("**CBA**") to appraise the high-level options proposed for the future Tustin Estate low-rise homes. Both of these pieces of work make up the Tustin Estate low-rise options appraisal, aimed to provide LB Southwark and Tustin Estate residents with information to help determine the most appropriate option to pursue.

1.2.2. The CBA comprises two assessments of outcome categories (which may include costs or benefits) for each of the options:

- An **economic assessment** of monetised outcomes related to public space, housing, council tax payments and jobs delivered as part of works or development on the estate.
- An **impact assessment** of qualitative outcomes related to the local economy, environment, community, and changes related to moving home.

1.2.3. Outcome categories included in the economic assessment are based on resident consultation (i.e. assessed as most important by residents), availability of information and appropriateness of monetisation. Outcome categories included in the impact assessment are considered important to the analysis, however, they may not have been considered as important by residents. Further, they may be difficult to monetise or they may have insufficient levels of detail due to the early stages of the options' development.

1.2.4. Both assessments contain key details for residents to consider when deciding on their preferred option, including how the options impact their current housing and estate, and how the options deliver on some key areas highlighted in the Residents' Manifesto.

1.2.5. To ensure the CBA serves as a useful process and tool to analyse options, resident and public engagement and participation has underpinned all stages of the CBA. This includes inviting residents (tenants, leaseholders and freeholders) and the public (such as school stakeholders and local businesses) to input into the process. We

asked participants to feedback on the initial assessments and to help shape the final CBA. More details on resident and public consultation activities are included at Appendix 1.

- 1.2.6. The CBA is guided by HM Treasury Greenbook appraisal methodology which proposes that outcomes should be monetised wherever possible and evaluated qualitatively where monetisation is not appropriate. The CBA considers:
- **Base Case:** The appraisal of options is made against Option 1, the “do nothing” option. This is the option that would be taken forward if Tustin were to remain as it is currently. ***All appraisals in the economic assessment have been made in addition to the base case Option 1, which is assumed to happen even if none of the options are pursued.***
  - **Time Period:** The appraisal of outcomes for each option are estimated over a 60-year period for assets<sup>1</sup> delivered (e.g. buildings and infrastructure) or less for other temporary outcomes, such as those related to the construction period.
  - **Stakeholders:** The appraisal of costs and benefits for each option are those impacting the council, current and future Tustin Estate households and the wider local area (e.g. businesses and residents).
  - **Monetisation:** Monetisation of elements considers market values if appropriate and available. Where market values are not available, social values are obtained from robust sources (e.g. DEFRA, HACT Social Value Tool and Statistical Development Unit’s National TOMs Social Value Framework).
  - **Outputs:** In the economic assessment, the monetised values from each outcome category for each option are added together, with positive values added together as benefits and negative values added together as costs. Using a cashflow financial model, benefits less costs are adjusted to present values using prevailing inflation and discounting assumptions, providing a Net Present Social Value (NPSV) for each option<sup>2</sup>. The impact assessment contains qualitative descriptions for each outcome category. In parallel, these metrics may be used as a tool to enable decision making between options.

### 1.3. The Programme

- 1.3.1. The Tustin Estate is located in Peckham, Southwark. The low-rise blocks and houses consist of 47 temporary accommodation units at Ullswater House and 251 homes in Bowness House, Heversham House, Hillbeck Close, Kentmere House and Manor Grove. Of the 251 permanent homes, 171 (68%) are tenanted, 49 (20%) are owned by leaseholders, and 31 are owned by freeholders (12%).
- 1.3.2. In June 2019, LB Southwark began engaging with the Resident Project Group (“RPG”) consisting of residents in the low-rise blocks, some residents from the towers and representatives from the business community and the school to progress potential options for the low-rise homes in the estate. Indicative options for the estate included doing nothing, refurbishing the blocks, extending the blocks, or knocking some or all of the blocks down and replacing them with new homes. Any work would also look to improve and possibly expand the school and business space.

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<sup>1</sup> HM Treasury Green Book assumption

<sup>2</sup> We have not included the costs of the programme nor income from sales and rental streams in calculating Net Present Social Value of the options as these are being appraised as part of a separate Viability Assessment undertaken by Altair

1.3.3. The May 2019 Residents’ Manifesto sets out what the Tustin Community Association see as necessary to make sure residents benefit from any changes. LB Southwark’s June 2019 response to it contains a range of commitments by the council. The manifesto, alongside resident feedback gathered during drop-in sessions held in early 2020, has guided design work for the options as well as areas considered in the CBA. Key goals from the Residents’ Manifesto include for the Tustin Estate to be:

- improved and a better place to live with a strong sense of community throughout the regeneration process and into the future.
- comprised of homes of a variety of tenures, including social housing on Council rents, and a variety of sizes to respond to housing need.

1.3.4. The Residents’ Manifesto also sets out a number of expectations for the programme if it were to be voted on by residents. Some of these are described in more detail in this analysis below.

#### 1.4. Options Assessed

1.4.1. Five options have been proposed as part of an iterative design and viability testing process for the estate. These five options have informed the CBA, and the appraisal against the options is based on design elements and target delivery metrics related to each option. The five options are as follows:

Table 1: Options, Descriptions and Housing Impact

Option	Description	Housing Impact
Option 1 – Maintain	Under this option, LB Southwark would maintain for the next 30 years to Decent Homes + Southwark Standard (new kitchens and bathrooms) + estate repairs	298 retained homes (218 social rent, 80 leasehold/freehold)  <b>298 homes total</b>
Option 2 – Refurbishment	Refurbishment to Decent Homes Standards + Southwark Standard (new kitchens and bathrooms + block enhancements + new build infill homes + estate improvements	298 retained homes (218 social rent, 80 leasehold/freehold) and 98 new homes (57 social rent and 41 leasehold)  <b>396 homes total</b>
Option 3 – Partial Refurbishment and Part Demolition and Rebuild	Bowness and Heversham and Manor Grove council properties are refurbished. Other blocks are demolished and rebuilt + estate improvements	161 retained homes (95 social rent and 66 leasehold/freehold) and 137 re-provided homes (123 social rent and 14 leasehold) and 318 new homes (166 social rent and 152 leasehold)  <b>616 homes total</b>

Option	Description	Housing Impact
Option 4 – Tustin Common	All demolition and rebuild to maximise number of new Council Homes	0 retained homes and 298 re-provided homes (218 social rent and 80 leasehold) and 498 new homes (249 social rent and 249 leasehold) <b>796 homes total</b>
Option 5 – Tustin Common + Manor Grove Infill	Demolition and rebuild excluding Manor Grove. Rebuild to maximise number of new Council Homes. Manor Grove Council properties are refurbished, improvements to the surrounding area + some infill	49 retained homes (18 social rent and 31 freehold) and 249 re-provided homes (218 social rent and 31 leasehold) and 479 new homes (226 social rent and 253 leasehold) <b>777 homes total</b>



## 2 | Economic Assessment

### 2.1. Overview of the Economic Assessment

- 2.1.1. The economic assessment part of the CBA considers “monetised” values for quantifiable outcomes resulting from each of the options. It explores areas of importance for the council, Tustin Estate residents and local community that would otherwise not be considered in the financial aspects of the options appraisal. **These include social, environmental and economic outcomes projected to result from each option over time and for which a monetary value can be calculated.**
- 2.1.2. The following section contains economic assessments using prevailing market prices for outcomes wherever possible, and social value proxies for outcomes that do not have market prices. It is concluded with a high-level cashflow of the monetised costs and benefits resulting from the assessments, and a net present social value to indicate how the benefits compare to the costs of the option.
- 2.1.3. Outcome categories included in the economic assessment were chosen based on resident consultation (scored highest in a prioritisation exercise), availability of information and appropriateness of monetisation. They include:
- Public space: green space for residents.
  - Impact on Housing: impact on council housing waiting list and value of new and improved housing.
  - Employment: apprenticeships, jobs from construction and new commercial space.
  - Economy: additional expenditure from new households and council tax payment changes by residents.
- 2.1.4. For each of the economic assessments, positive and negative values are compiled using a standard cashflow model approximating where values will appear within the project timeline (e.g. years 0 – 60) and how many times they appear (e.g. once per year after construction is finalised, or only during certain years).
- 2.1.5. The exercise revealed that Option 4 (Tustin Common) delivers the highest Net Present Social Value (NPSV) at c. £134.8m over the lifetime of the programme, followed by Option 5 (Tustin Common + Manor Grove Infill) at c. £126.4m, Option 3 (Partial Refurbishment and Part Demolition and Rebuild) at c. £101.9m and Option 2 (Refurbishment) at c. £34.9m. These figures are significantly impacted by additional expenditure by new residents in the local area. If additional local expenditure is not considered in the assessment, Option 3 delivers the highest NPSV, at c. £40.7m, followed by Option 4 at c. £39.1m, Option 5 at c. £34.3m and Option 2 at c. £16.1m.

### 2.2. Public Space

- 2.2.1. Public space is provided for recreation and for aesthetic value. The Tustin Estate currently has a large green space at its centre, and it was important to residents to consider the impact the options had on this and other green spaces around the estate.
- 2.2.2. The Residents’ Manifesto sets out that the options should allow for more and better organised outdoor space to meet the growing population of the estate and that new

homes should be designed such that they overlook green space provided. In addition, during resident consultation sessions, green space was mentioned as an important quality for the many families on the estate, especially those with small children.

### 2.2.3. Economic Assessment: Green Space

2.2.4. To determine the monetary value of green space, the analysis considers the total amount of green space currently provided on the estate and any change in the amount provided for each of the options.

2.2.5. The economic assessment considers:

- A monetary value for green space: The social value of urban green space used for recreation and aesthetic value is estimated<sup>3</sup> at c. £1,250 per annum per hectare (£0.125 psm per annum).
- What is currently provided: The total value of existing green space is 6,821 sqm.

2.2.6. Table 2 below summarises the total green space per hectare provided in each of the options, and the total value of that green space per annum (at present values) less the value of current provision.

Table 2: Economic assessment of green space provided for each option

	Option 1	Option 2	Option 3	Option 4	Option 5
Green space provided (sqm)	6,821	8,096	8,168	8,500	7,646
Total value (per annum)	£853	£1,012	£1,021	£1,063	£956
<b>Value per annum (over 60 years)</b>	<b>£0</b>	<b>£159</b>	<b>£168</b>	<b>£210</b>	<b>£103</b>

2.2.7. Overall, Option 4 delivers the greatest benefit over the current provision, at an additional 1.7k sqm (0.17 hectares) in green space with an additional present social value of £210 per annum.

## 2.3. Impact on Housing

2.3.1. LB Southwark and residents would like to see more socially rented, council-owned housing. LB Southwark is also committed to help meet local housing need and reduce the housing wait list.

2.3.2. One of the effects of the programme is an increase in the number of social housing homes provided for some options and the resulting positive impact in reducing the number of households currently on the housing wait list. The more new homes provided by each option, the more social housing homes are provided. This is because LB Southwark has committed to providing half of any new builds delivered through the options as additional social housing.

<sup>3</sup><http://sciencesearch.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=19514>, Select Environmental Value Look-Up (EVL) Tool, Value 1 Urban - Green Space" and Value 2 "Cultural heritage; recreation and tourism; aesthetic value"

- 2.3.3. An additional benefit is the overall social value derived from new build housing and housing improvements. The benefits of these are diffused throughout the community, and they include value added to the local economy through betterment (uplift of property values and overall economic value added) and societal benefits (e.g. improved warmth, safety and security).
- 2.3.4. Economic Assessment: Savings from building permanent social housing
- 2.3.5. LB Southwark currently has 2,731 households in temporary accommodation<sup>4</sup> and 11,583 households on the local authority housing wait list<sup>5</sup>. 24% of those on the housing wait list rent temporary accommodation.<sup>6</sup> Of those in temporary accommodation, 61% rent temporary accommodation not owned by LB Southwark (e.g. hostels, B&Bs and private accommodation leased by the LB Southwark) and 49% rent temporary accommodation owned by LB Southwark. As a result of this, there is a considerable amount spent both by residents and LB Southwark (via Local Housing Allowance (“LHA”) payments) to rent temporary private accommodation.
- 2.3.6. To value the cost savings to LB Southwark of providing social housing to individuals previously renting temporary accommodation, the economic assessment considers:
- The portion of new social renters previously renting temporary accommodation: 24%.
  - The proportion of temporary accommodation households renting non-local authority owned temporary accommodation: 61%.
  - The cost per household of renting non-LB Southwark temporary accommodation: £320 pw<sup>7</sup>.
  - Average rent paid by the household in temporary accommodation: £31 pw<sup>8</sup>.
  - The cost of a social rented home at Tustin: £99 pw<sup>9</sup>.
  - An assumed period for households in temporary accommodation: 232 nights<sup>10</sup>.
  - The number of social homes provided for each of the options.
- 2.3.7. Economic value is determined by calculating how much the household and LB Southwark save by negating the need for a household to move into private temporary accommodation (and instead move into a permanent social home built on the Tustin Estate).
- 2.3.8. Table 3 below provides a summary of the number of households moving into permanent social housing from temporary accommodation and the associated cost savings per annum to the resident (rents saved) and to LB Southwark (in LHA payments). The sum of these figures is expressed as a present value per annum. As

<sup>4</sup> <https://data.london.gov.uk/dataset/households-local-authority-waiting-list-borough>

<sup>5</sup> Provided by LB Southwark

<sup>6</sup> It has been assumed that all residents renting temporary accommodation from LB Southwark are also on the LB Southwark housing wait list

<sup>7</sup> Based on 90% of LHA rates for a 2-bedroom self-contained unit + £40 for management fees (Inner London) per week. Guidance found at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/240119/hbsgm-sec6.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/240119/hbsgm-sec6.pdf)

<sup>8</sup> Assuming rents are set at LHA rates

<sup>9</sup> Current average rents used for modelling purposes only, individual rents may differ

<sup>10</sup> Average nights in 2017/18 based on [Freedom of Information Request](#) dated 8 July 2019

the average length of a social housing tenancy is between 10 and 20 years<sup>11</sup>, the saving has been applied once every 15 years over the 60-year period.

Table 3: Economic assessment of monetary value of savings delivered from building permanent social housing

	Option 1	Option 2	Option 3	Option 4	Option 5
Number of new social homes provided	0	57	166	249	226
Number of new households previously renting temporary accommodation	0	13	39	59	53
Total rental cost savings (to LB Southwark, 232 nights in TA)	£0	£100,964	£294,035	£441,053	£400,313
Total LHA cost savings (to residents, 232 nights in TA)	£0	£13,244	£38,570	£57,856	£52,512
<b>Value per annum (once every 15 years)</b>	<b>£0</b>	<b>£114,208</b>	<b>£332,606</b>	<b>£498,909</b>	<b>£452,825</b>

2.3.9. Overall, Option 4 delivers the highest, positive present social value with an additional 249 social homes constructed, which it is estimated may provide homes to an estimated 59 households previously renting temporary accommodation.

2.3.10. Economic Assessment: New and improved housing

2.3.11. Some new housing will be delivered as part of the options. **LB Southwark has committed to re-providing all social housing currently on the estate, and to providing 50% of all new builds as additional social housing.** The rest of the homes delivered will be provided for market sale. In addition, any current tenanted homes not re-provided as new builds on the Tustin Estate will be refurbished in line with ongoing maintenance.

2.3.12. To monetise the value of new build housing and refurbishment, the analysis uses Ministry of Housing, Communities & Local Government private betterment values<sup>12</sup> for

<sup>11</sup> 2018-19 English Housing Survey data on social and private renters from <https://www.gov.uk/government/statistical-data-sets/social-and-private-renters>

<sup>12</sup> Private betterment values are based on value uplift to a local area, and are a general diffused value to a local economy based on property and land values

new builds and refurbished homes and societal consumption benefits<sup>13</sup> for new or upgraded (e.g. to LB Southwark’s Residential Design Standards) homes.

2.3.13. The economic assessment considers two proxy values per home<sup>14</sup>, including:

- Private betterment values: £29,160 per unit (one-off) for new build housing and £2,916 per unit (one-off) for improved housing (housing refurbished).
- Societal consumption benefit (security, safety and warmth from improved housing): £31,950 per unit over 30 years for refurbished or re-provided units.

2.3.14. It also considers:

- Total number of refurbished (tenanted) homes, re-provided homes and new build homes for each option
- That refurbishment undertaken in Option 1 will be done regardless if any of the options are pursued

2.3.15. Table 4 below contains a summary of these values. The sum of private betterment and social consumption values less the value of an ongoing maintenance programme (Option 1)<sup>15</sup> is provided as a present value for new and improved housing delivered from the options.

Table 4: Economic assessment of new and improved housing

	Option 1	Option 2	Option 3	Option 4	Option 5
Number of homes improved (tenanted)	218	218	95	0	18
Number of new build homes (all tenures re-provided)	0	0	137	298	249
Number of new build homes (net additional)	0	98	318	498	479
<b>Total number of newly built homes</b>	<b>0</b>	<b>98</b>	<b>455</b>	<b>796</b>	<b>728</b>
Total private betterment value (one-off)	£635.7k	£3.5m	£13.5m	£23.2m	£21.3m
<b>Value Per Annum (Private betterment – one-off)</b>	<b>£0</b>	<b>£2.9m</b>	<b>£12.9m</b>	<b>£23.2m</b>	<b>£20.6m</b>
Total societal consumption value (over 30 years)	£7.0m	£7.0m	£7.4m	£9.5m	£8.5m
<b>Value per annum (Societal Consumption – over 30 years)</b>	<b>£0</b>	<b>£0</b>	<b>£14,910</b>	<b>£85,200</b>	<b>£52,185</b>
<b>Value (Societal Consumption and Private betterment – total)</b>	<b>£0</b>	<b>£2.9m</b>	<b>£13.4m</b>	<b>£25.1m</b>	<b>£22.2m</b>

<sup>13</sup> Consumption benefits relate to the lived experience of residents, and include an aggregate value related to security, safety and warmth

<sup>14</sup> Department of Communities and Local Government “Valuing the benefits of a regeneration”, 2010, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6382/1795633.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/6382/1795633.pdf).

<sup>15</sup> This is because LB Southwark will maintain properties over time even if this option was not pursued

2.3.16. Overall, Option 4 delivers the highest, positive present social value for private betterment and societal consumption values of housing. This is because it provides a high number of new build homes, which increase private betterment values and social consumption values for existing residents who are re-provided with higher-quality housing.

## 2.4. Employment

2.4.1. LB Southwark and residents are keen to ensure that any programme provides job opportunities for existing and future generations on the estate and in the local community. The Residents' Manifesto sets out that:

- The council should ensure at least one apprenticeship is provided for every £1m spent (as seen below, this is also a LB Southwark policy).
- The apprenticeships should reflect the full range of opportunities in the area, not just construction (e.g. retail).

2.4.2. To consider how these areas are reflected in the various options, the analysis considers three economic assessments related to: apprenticeships offered from construction procurement processes and jobs created from new commercial space and construction programmes.

### 2.4.3. Economic Assessment: Value of Apprenticeships

2.4.4. LB Southwark's Fairer Future Procurement Framework and policy states that for contracts over £1m in value, there is the expectation to provide at least one apprentice per £1m of contract value. LB Southwark has committed to developing an apprenticeship programme in consultation with residents, however an indicative assessment may be based on the value stipulated in LB Southwark's Fairer Future Procurement Framework. Please note, the analysis considers spend on construction only and it assumes all refurbishment works are delivered by LB Southwark's DLO. For this reason, refurbishment spend is not assumed to provide apprenticeships in the same way as spend on demolition and construction.

2.4.5. The economic assessment also considers:

- The total spend on construction: drawn from the viability assessment, for each of the options.
- Social value of an apprenticeship in London<sup>16</sup>: £3,764 per apprenticeship in London<sup>16</sup>.

2.4.6. As a result, the economic assessment provides an indicative estimate of the per annum value of apprenticeships delivered from contract values for each of the options.

2.4.7. Table 5 below provides a summary of the number of apprenticeships that could be developed as part of the options' programmes, and the value per annum (present value) of each option.

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<sup>16</sup> From Hact's Value Calculator for Apprentices, <https://www.hact.org.uk/value-calculator>



Table 5: Economic assessment of apprenticeships created

	Option 1	Option 2	Option 3	Option 4	Option 5
Total programme spend (£)	£23.9m	£51.8m	£136.5m	£228.0m	£207.2m
Number of apprenticeships created	24	52	136	228	207
Total value of apprenticeships	£90,037	£194,982	£513,662	£858,365	£779,975
<b>Value (of construction programme)</b>	<b>£0</b>	<b>£104,945</b>	<b>£423,625</b>	<b>£768,328</b>	<b>£689,938</b>

2.4.8. Overall, Option 4 delivers the highest, positive present social value. This is because it has a higher programme cost, which should in turn deliver a greater number of apprentices.

2.4.9. Economic Assessment: Jobs from Commercial Space

2.4.10. Some of the options provide net additional commercial space beyond what is currently available on the estate. As a result, some of the options allow for the introduction of new or expanded businesses onto the estate, resulting in new jobs created.

2.4.11. To monetise the value of jobs created from new commercial spaces, total floor area<sup>17</sup> of the commercial space provided per option is set against a proxy value equating 1 full-time equivalent job to 17.5 square meters of internal useable commercial floor space (in net internal area)<sup>18</sup>. The total number of Full-Time Equivalent (FTE) jobs provided is monetised using the London regional wage per annum.

2.4.12. The economic assessment also considers:

- Total commercial area currently provided: 1,808 sqm GEA (Bowness at 1,068 sqm GEA, Afrikiko at 180 sqm GEA, and Church Hall at 560 sqm GEA).
- A leakage rate: 55%, based on the number of employees who commute to Southwark from other areas for work<sup>19</sup>.
- An occupancy rate for commercial units: 96%<sup>20</sup>.
- A social value for general employment: The Sustainable Development Unit proposes using the London Regional Wage, which is £36,302<sup>21</sup>.

<sup>17</sup> Total floor area converted from Gross external area to gross internal area as GEA – 5% and Gross internal area to net internal area as GIA – 15% (lower band), methodology at: Homes and Communities Agency's 'Employment Density Guide' 3rd Edition from November 2015.

<sup>18</sup> Took median figure for Use Class A1 Retail, High Street [https://www.kirklees.gov.uk/beta/planning-policy/pdf/examination/national-evidence/NE48\\_employment\\_density\\_guide\\_3rd\\_edition.pdf](https://www.kirklees.gov.uk/beta/planning-policy/pdf/examination/national-evidence/NE48_employment_density_guide_3rd_edition.pdf)

<sup>19</sup> 2011 UK census travel to work flows - <https://www.nomisweb.co.uk/census/2011/WU03UK/chart/1132462399> and Total employee jobs in Southwark in 2018 - <https://www.nomisweb.co.uk/reports/imp/la/1946157256/report.aspx>

<sup>20</sup> Based on estimated void periods for commercial units included in viability assessment

<sup>21</sup> Via from the Sustainable Development Unit tool, Ref. 2.2 for London: <https://www.sduhealth.org.uk/areas-of-focus/social-value/social-value-calculator.aspx>

2.4.13. As a result, the economic assessment provides an indicative estimate of the per annum value of jobs delivered from new commercial space provided for each of the options.

2.4.14. Table 6 below contains the total commercial floorspace per option, the number of jobs provided for each option, and the value of these local jobs to the estate (at present values). Please note, these figures are illustrative indications of the additional value of jobs on the estate, and do not consider net additional jobs provided in the economy.<sup>22</sup>

Table 6: Economic assessment of jobs created from new commercial space

	Option 1	Option 2	Option 3	Option 4	Option 5
Gross External Area of commercial floorspace	1,808	2,082	2,217	1,605	1,605
Net internal area of commercial floorspace (psm)	1,460	1,681	1,790	1,296	1,296
Number of FTE jobs supported (leakage and occupancy assumed)	44	51	54	39	39
Total value of commercial jobs (per annum)	£1,599,070	£1,841,407	£1,960,806	£1,419,528	£1,419,528
<b>Value per annum</b>	<b>£0</b>	<b>£242,337</b>	<b>£361,736</b>	<b>(£179,542)</b>	<b>(£179,542)</b>

2.4.15. Overall, Option 3 delivers the highest, positive present social value. This is because it provides additional commercial space over and above what is currently provided whereas Options 4 and 5 provide less commercial space than what is currently provided.

2.4.16. Economic Assessment: Jobs from Construction

2.4.17. Each option should generate local construction jobs, both for the Tustin Estate residents and for the wider Southwark community.

2.4.18. To provide a monetary value of the jobs created through a construction programme, the analysis considers the total spend on construction for each of the options, and how this spend could be used to approximate the quantum of employment (in years of employment). This figure, adjusted to consider a proportion of non-Southwark workers who may commute in from elsewhere to work on site, is monetised by applying a social value for full-time employment per annum.

<sup>22</sup> Due to the circular nature of the economy, it is unknown whether or not jobs provided at Tustin estate are new jobs or jobs displaced from elsewhere in the local or wider economy. See: <https://www.wrap.org.uk/sites/files/wrap/Employment%20and%20the%20circular%20economy%20summary.pdf> for more details



2.4.19. The economic assessment also considers:

- The total monetary spend on construction: drawn from the viability assessment, for each of the options.
- How many jobs are created from construction spend: £189k equates to one person year of employment<sup>23</sup>.
- A leakage rate: 55%, based on the number of employees who commute to Southwark from other areas for work<sup>24</sup>.
- A social value for construction employment: The Sustainable Development Unit proposes using the London Regional Wage, which is £36,302<sup>25</sup>.

2.4.20. As a result, the economic assessment provides an indicative estimate of the per annum value of local construction jobs delivered as part of the options.

2.4.21. Table 7 below provides a summary of the number of construction jobs that could be developed for local people as part of the options' programmes and the value per annum (present value) of each option.

Table 7: Economic assessment of jobs created from construction programmes

	Option 1	Option 2	Option 3	Option 4	Option 5
Total programme spend (£)	£23.9m	£51.8m	£136.5m	£228.0m	£207.2m
Total programme length (years)	n/a	1.5	7.6	7.6	7.6
Construction jobs (person years of employment)	127	274	722	1,207	1,096
Total value of construction jobs	£2.5m	£5.5m	£14.4m	£24.1m	£21.9m
<b>Value (of construction jobs)</b>	<b>£0</b>	<b>£2.9m</b>	<b>£11.9m</b>	<b>£21.6m</b>	<b>£19.4m</b>

2.4.22. Overall, Option 4 delivers the highest, positive present social value. This is because it provides the greatest number of local jobs as the result of greater programme spend.

## 2.5. Economy

2.5.1. New construction on the estate will lead to the introduction of new residents on the estate, who will spend locally. Other impacts may be a price increase to residents in the form of increased council tax payments (note: there also may be increases in

<sup>23</sup> Annual business survey spreadsheet, Section F:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/datasets/uknonfinancialbusinessesconomyannualbusinesssurveysectionsas> (Total turnover of sector per year / total employment per year)

<sup>24</sup> 2011 UK census travel to work flows - <https://www.nomisweb.co.uk/census/2011/WU03UK/chart/1132462399> and Total employee jobs in Southwark in 2018 - <https://www.nomisweb.co.uk/reports/lmp/la/1946157256/report.aspx>

<sup>25</sup> Via from the Sustainable Development Unit tool, Ref. 2.2 for London: <https://www.sduhealth.org.uk/areas-of-focus/social-value/social-value-calculator.aspx>

rents if residents are re-provided with newer or bigger homes, but there is not enough information at this time to monetise a change in payments). Monetised economic assessments relating to local spending and revenue that impact the estate and local area are provided below.

2.5.2. Economic Assessment: Increased local spending

2.5.3. To calculate the increase in additional local spending (in the Old Kent Road area) by new residents, the analysis considers a proxy value that 23,800 additional people will lead to £682m in local expenditure over 15 years (i.e. £28,655 per person over 15 years) as the result of development around Old Kent Road<sup>26</sup>.

2.5.4. The economic assessment also considers:

- Total population: based on total number of homes on the estate multiplied by the average London household size<sup>27</sup> (2.47 people).
- Projected population: based on total number of homes for each option multiplied by the average London household size (2.47 people).

2.5.5. Table 8 below provides a summary of the number of additional homes and people to the estate, and an approximation of their additional spending in the local area over 15 years. Please note these figures are for illustrative purposes only as household sizes and expenditure will differ from household to household.

Table 8: Economic assessment of increased local expenditure from new households

	Option 1	Option 2	Option 3	Option 4	Option 5
Number of homes	298	396	616	796	777
Population estimate	736	978	1522	1,207	1919
Additional Expenditure	£21.1m	£28.0m	£43.6m	£56.3m	£55.0m
<b>Value (over 15 years)</b>	<b>£0</b>	<b>£6.9m</b>	<b>£22.5m</b>	<b>£35.2m</b>	<b>£33.9m</b>

2.5.6. Overall, Option 4 delivers the most additional expenditure in the local area. This is because it provides the greatest number of homes, and therefore new residents and potential spenders to the area.

2.5.7. Economic Assessment: Council Tax payments by residents

2.5.8. Three of the options will have an impact on the council tax paid by current Tustin Estate residents. This is because council tax bands are determined by home value, and any re-provided new build housing will be of a higher value than its existing equivalent home on the estate. This may therefore increase the council tax burden on residents, resulting in a cost of the option.

<sup>26</sup> Hatch Regeneris, Bakerloo Line Extension Local Economic Impact Assessment

<sup>27</sup> <https://www.london.gov.uk/what-we-do/planning/london-plan/current-london-plan/london-plan-chapter-one-context-and-strategy-5#:~:text=In%20the%202011%20Plan%20it,reflection%20of%20an%20upward%20trend.>

2.5.9. To show the monetary impact of higher council tax payments made by residents, the analysis considers the number of homes re-provided as newly build homes in each of the options. A like-for-like comparison is made between council tax bands for existing homes and for newly built homes of the same size (by number of bedrooms) and by typology (e.g. flats, maisonettes and houses). Please note, this analysis does consider that all current bedsits to be re-provided are replaced by 1-bedroom homes however does not consider movement between house typology due to housing needs, e.g. residents moving into smaller or larger homes as this is subject to further development. The economic assessment considers:

- Current tax bands for all low-rise homes on the estate (except Ullswater House<sup>28</sup>): Of 251 homes on the estate, 67 are in council tax band “A”, 48 are in council tax band B”, 125 are in council tax band “C”, 11 are in council tax band “D” and none are in council tax band “E”<sup>29</sup>. Currently in total, 151 Tustin households pay a total of £294,100 in council tax<sup>30</sup>.
- Values of new build equivalents: according to sales estimates<sup>31</sup> indicate that 1 bedroom homes will be in tax band C, 2 bedroom homes and 3 bedroom flats will be in tax band D, 3 bedroom houses will be in tax band E, and 4 bedroom homes will be in tax band E.

2.5.10. As a result, the economic assessment provides an indicative per unit average and total payment change per annum in council tax rates for each of the options.

2.5.11. Table 9 below provides a summary of the number of households in each council tax band according to the options, and also provides an estimate of the total and average per household payment change per annum to all existing residents on the estate.

Table 9: Economic assessment of council tax payments by residents

	Option 1	Option 2	Option 3	Option 4	Option 5
Tax band A	67	67	20	0	0
Tax band B	48	48	65	49	49
Tax band C	125	125	155	41	79
Tax band D	11	11	11	148	123
Tax band E	0	0	0	13	0
Total payments by residents per annum	£294,100	£294,100	£306,427	£343,570	£333,324
<b>Value per annum</b>	<b>£ 0</b>	<b>£ 0</b>	<b>(£ 12,327)</b>	<b>(£ 49,470)</b>	<b>(£ 39,224)</b>

<sup>28</sup> Local Authority Temporary Accommodation council tax is paid by LB Southwark at a collective rate, potentially included as part of rent paid by households in temporary accommodation

<sup>29</sup> Government Council Tax Band by Address: <http://cti.voa.gov.uk/cti/inits.asp>

<sup>30</sup> <https://www.southwark.gov.uk/council-tax/bands-and-charges>

<sup>31</sup> From BNPPRE Sales Values report for 1-4 bedroom properties, adjusted to 1991 values to determine council tax bands <https://landregistry.data.gov.uk/app/ukhpi/browse?from=1991-12-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Flondon&to=2019-12-01>

## 2.6. Summary of Economic Assessment

2.6.1. The table below summarises the economic assessments and presents a Net Present Social Value (NPSV), which represents benefits less cost, for each option. NPSV is a figure derived from plotting benefits and costs, each with assumptions made about their discount over time and inflation, over a 60-year period.

2.6.2. It shows:

- Under current designs, NPSV is highest for Option 4.
- There are no costs to Option 2 because it delivers more commercial space and does not change council tax payments to current residents.
- Benefits and costs values have been impacted greatly by additional expenditure and jobs created from construction and commercial space.
- If additional local expenditure is not considered in the assessment, Option 3 delivers the highest NPSV, at c. £40.7m, followed by Option 4 at c. £39.1m, Option 5 at c. £34.3m and Option 2 at c. £16.1m.
- Current designs show a loss of c. 203 sqm Gross External Area of commercial space in Options 4 and 5. If Options 4 and 5 delivered the same amount of commercial space as Option 3 (and additional 409 sqm Gross External Area over current provision), NPSV for Option 4 and Option 5 would be c. £156.9m and c. £148.5m respectively.

2.6.3. Appendix 2 contains a detailed breakdown of the cashflow figures (including gross benefits and costs) for each option.

Table 10: Economic assessment summary

	Option 1 <i>(Base Case)</i>	Option 2	Option 3	Option 4	Option 5
Gross Benefits (Years 0 – 60)	£0	£105.9	£290.5m	£383.4m	£364.7m
Gross Costs (Years 0 – 60)	£0	£0	(£1.7m)	(£32.2m)	(£30.7m)
<b>Net Present Social Value (NPSV)</b>	<b>£0</b>	<b>£34.9m</b>	<b>£101.9m</b>	<b>£134.8m</b>	<b>£126.4m</b>

## 3 | Impact Assessment

### 3.1. Overview

3.1.1. The impact assessment provides a qualitative analysis of **social, economic and environmental outcomes resulting from the options where it is not possible to calculate a monetary value.**

3.1.2. Outcome categories included in the impact assessment are considered important to the analysis however have not been included as part of the economic assessment due to one or more of the following: it did not score as highly by residents, it is difficult to monetise, or the outcome may not be monetised at this time due to level of detail available for each option at this stage. They include the following outcome categories:

- Local economy, e.g. customers for commercial spaces and other revenue
- School and school-age children (including those living on the estate)
- Environmental sustainability, e.g. biodiversity and trees, air quality, water run-off and carbon emissions
- Social & community, e.g. pride of place
- Social infrastructure and placemaking, e.g. designs and parking
- Health and wellbeing, e.g. disruption during construction and impact of new build designs
- Safety, e.g. fire safety, crime and ASB
- Moving-related changes

3.1.3. Overall, the impact assessment reveals that Options 3 – 5, which see a greater proportion of re-provided and/or new housing have the potential to deliver the greatest positive impact on quality of life on the estate. However, these benefits are met with potentially greater costs, such as changes to the local economy resulting from higher home and commercial space values, and disruption to local communities and social networks as new homes are built and new households move onto the estate. A summary of all outcomes described in the impact assessment is included in Table 12.

### 3.2. Local Economy

3.2.1. As highlighted in Section 2, the options deliver a number of benefits for the local economy, including direct jobs created from construction programmes as well as ongoing jobs created as part of increased amount of commercial space on the estate.

3.2.2. Commercial units were highlighted as areas of importance for residents in the Residents' Manifesto. It noted that residents would like to see new shops encouraged onto the estate (e.g. a bank, post office, chemist, and fish and chip shop) and for low-rent units delivered as part of the options to be reserved for charities and community centres.

3.2.3. In addition to residents who may be impacted by changes to the availability of commercial space, some of the current businesses on Old Kent Road which may be impacted by the options include:

- Religious establishment
  - Retail shops
  - Restaurants
- 3.2.4. Some of the opportunities provided from the options for current businesses include shop-front improvements in Options 2 and 3, and better and new units with better frontal green space in Options 4 and 5.
- 3.2.5. There are potential downsides to how the options in the future may impact the local economy and businesses on Old Kent Road. For instance, if property prices and rents are higher on commercial spaces as the result of shop front improvements in Options 2 or 3 or the redevelopment proposed in Option 4 and 5, this may pressure some existing commercial operators to relocate elsewhere. An impact of this is reduced choice for the kinds of goods and services valued by residents at the Tustin Estate. In turn residents may need to travel further to acquire goods and services.
- 3.2.6. In addition, increases to rents for commercial units may displace existing businesses from the area, making way for new businesses which may or may not cater to existing residents.<sup>32</sup>
- 3.2.7. On the other hand, new residents introduced to the estate through newly built housing (Options 2 – 5) may increase the customer base for existing businesses.
- 3.2.8. Option 4 will see commercial units temporarily moved to other parts of Old Kent Road. While LB Southwark has committed to providing adequate interim accommodation, this may have an impact on temporary access to shops for residents on the Tustin Estate (particularly impacting those who are not mobile or who are without access to transportation). It will also likely have an impact on businesses, whose movement off the estate may impact overall customer base and sales.
- 3.2.9. Finally, there may be some benefits related to increased homes or commercial revenue in the area, as described below.
- New Homes Bonus: First announced in July 2014 as part of the Government's first Growth Deal for London, this included £70m funding for local authorities. It comes to an end in 2021, but there may be a replacement. Currently, it is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. If awarded due to new homes built at Tustin Estate, a portion of this bonus will be re-invested into services in the local area as part of LB Southwark's wider spend.
  - Business Rates: While the amount of commercial space between the options does not vary significantly, any increased spend in the area will translate to higher business rates paid to LB Southwark. This revenue will in turn be in part re-invested into the local area.
- 3.3. **School and School-Age Children**
- 3.3.1. The programmes associated with each of the options may have an impact on Pilgrims' Way Primary School and it is understood that many school children who live on the estate attend the school.

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<sup>32</sup> <https://urban-regeneration.worldbank.org/node/45>



- 3.3.2. Options 1 and 2 do not materially change the school, and it has been assumed the school will be maintained as it is currently under these options. This will be done in line with a stock condition survey undertaken in 2019/2020, which indicates where works will be required to the school, children's centre, nursery buildings and to the external areas over the next 30 years to keep them operational.
- 3.3.3. While none of the options at present propose in detail any plans for redevelopment of the school, this is subject to further refinement of the preferred final option. The school could be maintained in any of the options, or if Options 3, 4 or 5 are pursued, proposals for how the school's shape might be altered could be explored. While a new school would provide opportunities for future school children in terms of a better learning environment with better facilities, temporary disruption to school children during construction could include being relocated to temporary school units at the periphery of the current school site.
- 3.3.4. Some of the immediate benefits of Options 3 – 5 for school children, whether or not the school is materially changed or rebuilt, include a better environment around their school after construction is completed. This includes better, over-looked green space and a safer boundary between the school and the rest of the estate as the result of new homes developed along its periphery. In addition, the Old Kent Road Action Plan stipulates that new development requires 5sqm per home of public open space, so Options 3 – 5 will see more open space for children.
- 3.3.5. In addition, there are a number of potential benefits resulting from new homes re-provided for school children who also reside on the estate. Some of the reported outcomes<sup>33</sup> of high-quality housing for children include:
- 25% lower risk of severe ill health during childhood and early adulthood.
  - Lower risk of meningitis, asthma and slow growth.
  - A lower chance of suffering from mental health and behavioural problems.
  - Higher educational attainment, reduced likelihood of unemployment and poverty.
- 3.3.6. Whether or not the school is retained as it is currently, it is possible that wider works on the estate may disrupt school functions. Infill development is currently proposed at the periphery of the school in Option 2, and wider estate development around the school is proposed in Options 3 – 5. Disruption may include traffic and access to the school, noise during study (e.g. at home), and dust and debris from construction of homes. These areas could have a negative impact on the experience of the school children.
- 3.4. **Environmental Sustainability**
- 3.4.1. Environmental impacts are important to residents, as they impact overall future health of the Tustin Estate as well as character (e.g. the prevalence of mature trees as highlighted in the Residents' Manifesto). In addition to a desire to protect mature trees on the estate, the Residents' Manifesto also sets out that the works should consider green measures such as solar panels, and reductions in water and fuel use.

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<sup>33</sup> Shelter, "Chance of a Lifetime" (2006)  
[https://england.shelter.org.uk/data/assets/pdf/file/0016/39202/Chance\\_of\\_a\\_Lifetime.pdf](https://england.shelter.org.uk/data/assets/pdf/file/0016/39202/Chance_of_a_Lifetime.pdf)

- 3.4.2. As highlighted in Section 2, the options have varying impacts on the net green space provided for the Tustin Estate. In addition to green space, other potential environmental impacts resulting from the options include carbon emissions, a loss or improvement of biodiversity and impacts on rainwater run-off.
- 3.4.3. Trees are an important part of biodiversity on Tustin and elsewhere. Research suggests having mature trees near one's home contributes to wellbeing and liveability. Having mature trees leads to the following benefits for urban residents<sup>34</sup>:
- They provide shade, helping reduce energy costs related to cooling.
  - They make public spaces more appealing, encouraging social interaction and cohesion.
  - They provide contact with the natural environment for urban residents and contribute to better well-being and mental health outcomes.
  - They mitigate the effects of climate change, reduce atmospheric pollution and reduce the heat island effect<sup>35</sup> often experienced in urbanised settings.
  - They fuel biodiversity by providing a habitat for a range of species, including birds, mammals and insects.
  - They reduce noise and visual impact of urban traffic.
- 3.4.4. With regards to mature tree loss as the result of the options, all existing trees are retained in Option 1, trees on Manor Grove and to the front of Bowness are all retained in Options 2 – 5, with 80% of remaining trees retained in the Option 2 and 75% of remaining trees retained in Options 3 – 5. In all options, any trees cut down are replaced elsewhere on the estate. This results in a loss of up to 25% mature trees in Options 3 – 5. As stated below as part of the Old Kent Road Area Action Plan and London Plans, any tree loss on the estate will be re-provided on an equal basis.
- 3.4.5. To comply with the Old Kent Road Area Action Plan, Options 3 – 5 will see considerable positive sustainability changes to the estate with:
- A net gain in biodiversity over current provision.
  - Development that must retain and enhance the borough's trees and canopy cover; and where trees are removed to facilitate development, they should be replaced by new trees which result in no net loss of amenity, taking into account canopy cover as measured by stem girth.
  - Development to be net zero carbon, with requirements to improve on standard Building Regulations for newly built homes by at least 35%. This will result in a very significant reduction in CO2 emissions.
  - New development meeting or exceeding air quality neutral standards and addressing the impacts of poor air quality on building occupiers and public realm users by reducing exposure to and mitigating the effects of poor air quality. New heating systems installed will reduce emissions to the equivalent of 'ultra-low' NOx boiler emissions. Emissions from either SELCHP or electric powered systems such as heat pumps will generate less NOx than the current gas boilers on the estate.
  - Rain-water run-off to be attenuated to greenfield run off rates with at least 70% of storage capacity to be provided on site through sustainable urban drainage systems (green roofs, swales, rain gardens etc). The remainder could be offset

<sup>34</sup> Cambridge City Council, "Why Trees Matter", <https://www.cambridge.gov.uk/media/3263/why-trees-matter.pdf>

<sup>35</sup> The phenomenon that results in an urban area or being significantly warmer than its surrounding rural areas due to human activities (via epa.gov)



through a contribution.

- 3.4.6. In addition, to comply with the new London Plan, developments (e.g. Options 3 – 5) must include urban greening as a fundamental element of site and building design and achieve an urban greening factor of 0.4, resulting in a net increase in green cover. The plan also states that where trees are removed there should be adequate replacement based on existing values.
- 3.4.7. Some of the monetary values related to more energy efficient housing are captured in the economic assessment of new build and improved housing above. These include reduced running costs as a result of better heating systems and improved insulation in new build homes. Some additional considerations for more energy efficient housing include:
- Less fuel poverty on the Tustin Estate, which may result in improvements in psychological and physical illness caused by inability to properly heat one's home<sup>36</sup>.
  - Contribution to wider societal benefits related to climate change.
- 3.4.8. Options 1 – 3 will see retained homes meet 2030 Fuel Poverty Regulations and, where technically achievable, meet Energy Performance Certificate Level C in line with government strategy. However, ongoing maintenance will not materially change the fabric of the homes, so only options which re-provide existing homes with new homes (Options 3 – 5) will see material changes to building fabric for existing residents, resulting in greater impact over current energy efficiency standards.
- 3.4.9. New homes delivered through Options 2 – 5 will have improved energy efficient building fabric and achieve net zero carbon targets, reducing operational carbon emissions and energy consumption. New homes may also include high efficiency heating systems, and will include new, more energy-efficient appliances. These improvements will drive down running costs and help combat fuel poverty on the estate. No other low-carbon upgrades are designed into the options presently but may be in refinement of the preferred option if Options 2, 3, 4 or 5 are taken forward.
- 3.4.10. In all of the options, heating systems will be upgraded in line with the council's ambitions for a district heating network.
- 3.4.11. The construction programmes delivered as the result of the options may also have an impact on the environment, most notably through the use of equipment, vehicles and materials on site which create additional carbon emissions than if the estate remained as it is currently. Additional carbon emissions during construction will be most associated with options with high level of construction on the estate, such as Options 3 – 5. However, it should be noted that carbon emissions may be off set in the long-term due to improvements in carbon emissions in new homes re-provided.
- 3.4.12. The council are currently looking at the whole lifecycle carbon performance on the Tustin Estate with a view to inform an environmental sustainability strategy to be developed for the preferred option. This will include an analysis of:
- operational carbon (carbon emissions in-use)

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<sup>36</sup> Action for Warmer Homes, "What is Fuel Poverty?", <https://www.nea.org.uk/the-difference-you-can-make/individuals/what-is-fuel-poverty/>

- embodied carbon (emissions during construction and demolition)

3.4.13. The sustainability strategy and whole life-cycle assessment will be used during detailed design of the preferred option to inform where reductions in embodied carbon and carbon emissions can be made.

3.4.14. LB Southwark's ambitions are to build 11,000 new homes by 2043. It is possible that if some of these homes are not built on the Tustin Estate (i.e. if Option 1 is pursued), they could be built elsewhere in the local authority and so embodied carbon implications may only be displaced.

### 3.5. Social & Community

3.5.1. Recreational spaces provide areas for current and future Tustin Estate residents to gather and engage in community activities. The Residents' Manifesto sets out that there should be more play space for all ages and the additional population that will be living on the estate after redevelopment. It also sets out that the estate requires a space that is large enough to hold events and activities when the population has been increased by any redevelopment. LB Southwark has committed to consider play and community spaces as part of resident consultation activities.

3.5.2. At present, new community play areas are proposed for Options 3 – 5 only. These may be adjacent to the school. In addition, new homes on Ilderton Road provide an opportunity for additional community space to be provided at the ground floor.

3.5.3. In addition, the options may have an overall impact on community cohesion and pride of place. LB Southwark has committed to deliver on these objectives as part of its regeneration framework<sup>37</sup>.

3.5.4. According to LB Southwark, pride of place is delivered by ensuring that buildings and public spaces are designed to promote wellbeing and a sense of pride in its communities. Pride of place may be developed by improving the Tustin Estate. Residents feel improvements can be made to bin stores, sizes of flats, and use of green spaces.

3.5.5. While residents are generally open to making their estate better, pride of place may be impacted negatively if some components of the estate are lost. Examples of areas that residents currently like about their estate include: the shops on Old Kent Road, private gardens, and views of green spaces.

3.5.6. Architectural designs for the options emphasise pride of place elements. For example:

- Option 1 outlines provisions to make improvements to lighting and pavements improving functionality and aesthetic value. Green spaces may be replanted as part of the LB Southwark Great Estates programme, which sees the council and residents working together to improve the lived experience of the estate.
- Option 2 introduces those listed for Option 1 and also improvements to communal entrances and bin stores to make the estate more inviting. This option also welcomes ideas such as commissioning local muralists. However, introducing

<sup>37</sup><http://modern.gov.southwark.gov.uk/documents/s79877/Appendix%201%20Social%20Regeneration%20Framework%202018.pdf>

some new buildings through in-fill amongst others may disproportionately impact pride of place for new residents who move into in-fill homes.

- Options 3 and 4 outline provisions for both of those described above, and also set out more usable, accessible green space at the heart of the estate. These options include larger flat sizes due to modern space standards for new builds. Some existing buildings remaining in Option 3 may detract from overall pride of place for remaining residents.
- Option 4 retains Manor Grove, preserving houses for residents who enjoy their current homes and private back gardens.

3.5.7. LB Southwark defines *cohesion* as working with communities to create neighbourhoods that are integrated, cohesive and foster a sense of belonging. The single move policy for residents and resident's right to return to the Tustin Estate are designed to protect existing residents (tenants and leaseholders/freeholders) and foster community cohesion. However, in practice, other regeneration schemes have had mixed impacts on community cohesion. Some examples of these impacts include:

- Re-housing can have a significant negative impact on strong social networks that may exist in an area<sup>38</sup>. The single move policy and right to return to the Tustin Estate could minimise this impact.
- Re-development introduces new people to the area. This may have a negative impact on long-term affordability of the area, which may result in some existing residents moving out of the area over time<sup>39</sup>. Guaranteed, secure tenancies offered to existing social tenants and homeownership equity offered to leaseholds at the Tustin Estate will minimise the chances of this, however it is understood that council tax payments could rise with increases in property values for residents and that council rents may increase if homes are replaced with newly built ones.

3.5.8. In addition to moving-related offers made by LB Southwark, the options' designs also attempt to foster community cohesion wherever possible. Options 3 and 4, for instance, provide a residential block for older people to ensure existing older people on the estate can remain.

### 3.6. Social Infrastructure & Placemaking

3.6.1. Social infrastructure includes areas like transportation, healthcare, and public facilities.

3.6.2. The various designs do not significantly impact social infrastructure. However, they encourage new households to relocate to the estate. Because of this, Options 2 – 5, may increase demand for existing services such as GP surgeries, hospitals and schools in the local area because they add to the number of households living on the estate. This could have a negative impact on existing residents, who may in the short term notice the increase in the number of people accessing local services and using local transportation. In the long term, however, LB Southwark's planning function will meet this demand through increased provision for services. In addition, as the Tustin

<sup>38</sup> Social Life & University of Reading,

[http://www.social-life.co/media/files/SOCIAL\\_IMPACT\\_OF\\_REGENERATION\\_IN\\_SOUTH\\_ACTON\\_small\\_hP2bQmZ.pdf](http://www.social-life.co/media/files/SOCIAL_IMPACT_OF_REGENERATION_IN_SOUTH_ACTON_small_hP2bQmZ.pdf)

<sup>39</sup> World Bank, "Urban Regeneration" <https://urban-regeneration.worldbank.org/node/45>

Estate is part of a wider plan to improve the Old Kent Road area, future Tustin residents will benefit from the extended Bakerloo Line through Old Kent Road to New Cross Gate.

- 3.6.3. Presently, the options propose some changes to pedestrian and vehicle access on the estate. Options 2 – 5 introduce controlled access to pedestrian routes, and new layouts to the estate presented in Options 3, 4 and 5 allow for clearer routes through the estate, fostering connectedness between buildings. An increase in pedestrian routes and lack of vehicular access also promote safety on the estate.
- 3.6.4. Residents wish to ensure any options provided consider requirements for parking. The Residents' Manifesto sets out that design and enforcement of parking on the estate should be considered in any option proposed and that an integrated parking strategy should be developed.
- 3.6.5. Land is a scarce resource on the estate, and the options' designs have prioritised land for increased numbers of homes (including socially rented homes), the provision of high-quality green space and cycle parking over provision for car parking. A minimisation of the provision of car parking, and the use of podium-style parking, is in line with the action plan for the Old Kent Road area.
- 3.6.6. Any reduction in the number and availability of car parking spaces on the estate will have an impact on the estates' current households who currently benefit from parking spaces. Primarily, these impacts will be on those households who currently have more than one parking permit as new policies will aim to allow only one permit per household. Blue badge and wheelchair households will have associated parking. Parking arrangements are currently being refined for each of the options.

### 3.7. Health & Wellbeing

- 3.7.1. Options may impact the health and wellbeing of residents in a number of ways. A Health and Equalities Assessment has been prepared alongside the cost-benefit analysis to outline these in greater detail, however some of the potential health and wellbeing outcomes are provided in summary below.
- 3.7.2. Options may impact health and wellbeing negatively through construction disruption. Construction may lead to noise, poor air quality, stress during construction for residents living on the Tustin Estate. In addition, as more households work from home in a post-COVID-19 environment, this could be more disrupting in the future. For all options, construction is phased such that residents may remain in their homes as much as possible, however an implication of this is residents being subject to health impacts during construction. LB Southwark will attempt to mitigate these by undergoing environmental assessments and ongoing environmental management during the programmes, however it is likely residents will experience some disturbance over the construction period (c. 10 years).
- 3.7.3. In the long term, however, improvements in facilities and homes in accordance with the 2016 London Plan design specifications and LB Southwark New Build Design Standards which may result in better health outcomes over time. For instance:
- 10% of new build housing will be wheelchair accessible, and blue badge and wheelchair households will have associated parking.

- All new builds will have minimum space standards larger than currently provided on the Tustin Estate.
  - Site layouts promote privacy and daylight for residents.
  - Layouts reduce noise from common areas to homes.
- 3.7.4. Finally, as the estate will have much more focus on pedestrian and cycling routes, the estate will be much safer for children and families (described more below) and will encourage healthier, more active lifestyles.
- 3.8. **Safety**
- 3.8.1. In any of the options, construction may pose certain safety (physical and crime-related) risks to people living and working on the Tustin Estate. For example, construction may temporarily disrupt accessible pedestrian or vehicle throughways limiting open and free movement around the estate, or it may lead to rubble, temporary gates and other non-permanent structures. Any non-permanent structures may be used by individuals not for their intended purposes (e.g. as gathering spaces by residents and non-residents).
- 3.8.2. In the long term, however, improvements in facilities and homes in accordance with latest regulations and planning policies, e.g. those related to fire safety, will result in safer homes and buildings on completion of re-development. Some of the provisions for building designed in Options 2 – 5 include<sup>40</sup>:
- Buildings designed to incorporate appropriate features which reduce the risk to life in the event of a fire.
  - Buildings are designed and constructed to minimise spread of fire in and between buildings.
  - Buildings are designed to provide suitable means of escape for building users, and means of sounding alarms.
- 3.8.3. Option 1 makes some essential improvements to block safety, such as improved lighting and pavements. Options 3 – 5 have more extensive safety improvements, including those related to social infrastructure described above and also because they incorporate official police “secured by design” elements such as safer layouts of roads and footpaths, safer parking, safer window and door sets, secured accessways and designs that deter climbing.<sup>41</sup>
- 3.8.4. In addition, Options 3 – 5 provide opportunities for inclusion of a concierge service. The concierge can be considered as the options are developed including costs associated with this gathered from data from the nearby Towers’ concierge service. While the concierge is not currently proposed as part of the options as they are currently presented, it is understood that the inclusion of a concierge in refinement of

<sup>40</sup> Part B of Building Regulations at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/832631/Approved\\_Document\\_B\\_fire\\_safety\\_volume\\_1\\_-\\_2019\\_edition.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/832631/Approved_Document_B_fire_safety_volume_1_-_2019_edition.pdf) and Policy D11, contained in the draft London Plan, <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/draft-new-london-plan/chapter-3-design/policy-d11-fire-safety>

<sup>41</sup> <https://www.securedbydesign.com/>

the options could positively impact fear of crime on the estate. Some of the reported outcomes<sup>42</sup> of a concierge include:

- Concierges provide better security for residents and visitors to the area, reduce the fear of crime and help to detect and prevent crime.
- Concierges may be connected to CCTV, and may more readily detect or report crime or anti-social behaviour.
- Concierges are an amenity<sup>43</sup>, and may therefore increase property values on the estate.

### 3.9. Moving-Related Changes

3.9.1. The options all have slightly different impacts on existing residents with regards to what may change for existing residents during or after construction. Some of these changes are outlined below.

#### 3.9.2. Private Space

3.9.3. The Residents' Manifesto confirmed LB Southwark's commitment to provide access to private space (e.g. patio, garden, balcony or roof terrace) to all households on the estate. Table 11 below summarises the total private space provided in each of the options. Option 1 represents the amount of private space currently provided on the Tustin Estate.

Table 11: Impact assessment of private space provided for each option

	Option 1	Option 2	Option 3	Option 4	Option 5
Private space provided (psm)	5,376	5,992	6,377	5,500	8,012

3.9.4. For some blocks, re-provided balconies will be larger than are currently. These blocks include:

- Bowness (re-provided in Options 4 and 5): From 5.6 sqm to 7 sqm per balcony.
- Hillbeck Close, Ullswater House and Kentmere House (re-provided in Options 3 - 5): From no balcony to a 5 sqm balcony.
- Heversham House (re-provided in Options 3 - 5): From 6sqm balcony to 8 sqm balcony.

#### 3.9.5. Help to Move and Single Move Policy

3.9.6. In any option which sees vulnerable residents moving home due to their current home being demolished (e.g. Options 3 – 5), LB Southwark has committed to help support them though bidding for a new home where necessary, helping deal with utility companies and moving home. A dedicated Tustin Estate team at LB Southwark will ensure vulnerable residents have consistency and familiarity in the support provided.

<sup>42</sup>LB Islington, "Concierge Schemes", <https://www.islington.gov.uk/housing/repairs-and-estate-management/estate-management/concierge-schemes>

<sup>43</sup> Zoopla, <https://www.zoopla.co.uk/moving/renters-guide/moving-tips/should-you-buy-or-rent-a-flat-with-a-gym-pool-and-concierge-service/>



- 3.9.7. In addition, a single move policy has been considered during the design of the options which require demolition and re-provision of housing. This means residents who see their homes demolished and re-provided elsewhere on the estate will, wherever possible, only be asked to move out of their current homes once their new home is complete.
- 3.10. **Summary of Impact Assessment**
- 3.10.1. The impact assessment reveals that Options 3 – 5, which see a greater proportion of re-provided and/or new housing, have the greatest potential to positively impact quality of life on the estate. This impact may be felt especially for children growing up in the future. This is because these options provide new and higher-quality housing that complies with most up-to-date space, fire safety and health and safety standards. Options 4 and 5, which see a re-configuration of the estate, also offer benefits for households such as better, more accessible green space with designs that promote openness and safety. However, these proportionately larger benefits are met with potentially larger costs compared to other options. For example, Options 3 – 5 also may result in the greatest changes to the local economy as a result of higher home and commercial space values. They may also result in disruption to local communities and social networks as new homes are built and new households move onto the estate.
- 3.10.2. For reference, a summary for each of the outcome categories in the impact assessment is provided in the table below. The outcomes outlined below and elsewhere in this report are designed to acknowledge outcomes for tenants, leaseholders and freeholders. In the following sections, special considerations for tenants and leaseholders and freeholders are detailed.

Table 12: Summary of outcome categories from Impact Assessment for each option

Impact Area	Option 1	Option 2	Option 3	Option 4	Option 5
Local Economy	<ul style="list-style-type: none"> <li>No change</li> </ul>	<ul style="list-style-type: none"> <li>Shop-front improvements to commercial units</li> <li>Potential for new commercial space beneath homes at Ilderton Road</li> <li>Potential new customers moving to estate</li> </ul>	<ul style="list-style-type: none"> <li>Shop-front improvements to commercial units</li> <li>Potential for new commercial space beneath homes at Ilderton Road</li> <li>Potential new customers moving to estate</li> </ul>	<ul style="list-style-type: none"> <li>Temporary movement of businesses may harm businesses financially</li> <li>Higher rents for commercial units may displace existing businesses</li> <li>New attractive commercial units provided</li> </ul>	<ul style="list-style-type: none"> <li>Temporary movement of businesses may harm businesses financially</li> <li>Higher rents for commercial units may displace existing businesses</li> <li>New attractive commercial units provided</li> </ul>
School and School-Age Children	<ul style="list-style-type: none"> <li>No change to the school</li> <li>Minimal disturbance to school children, but children may live in poor quality housing</li> </ul>	<ul style="list-style-type: none"> <li>No change to the school</li> <li>Some construction around school may disrupt children</li> <li>New homes around school overlook play areas</li> </ul>	<ul style="list-style-type: none"> <li>Potential to re-build school</li> <li>Construction on estate may disrupt school children</li> <li>New housing for school children may result in better outcomes for them</li> </ul>	<ul style="list-style-type: none"> <li>Potential to re-build school</li> <li>Construction on estate may disrupt school children</li> <li>New housing for school children may result in better outcomes for them</li> </ul>	<ul style="list-style-type: none"> <li>Potential to re-build school</li> <li>Construction on estate may disrupt school children</li> <li>New housing for school children may result in better outcomes for them</li> </ul>



Impact Area	Option 1	Option 2	Option 3	Option 4	Option 5
Environmental Sustainability	<ul style="list-style-type: none"> <li>All trees retained, promoting biodiversity and wellbeing</li> <li>Retained homes may have higher carbon emissions than if new</li> <li>Retained homes will meet 2030 Fuel Poverty Regulations and, where technically achievable, meet Energy Performance Certificate Level C</li> <li>A sustainability strategy including a whole life-cycle assessment will be developed alongside detailed designs to reduce embodied carbon as well as carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>80% of trees retained, 20% re-provided</li> <li>Retained homes will meet 2030 Fuel Poverty Regulations and, where technically achievable, meet Energy Performance Certificate Level C</li> <li>New homes will have improved energy efficient building fabric and achieve net zero carbon targets, reducing operational carbon emissions and energy consumption</li> <li>Retained homes may have higher carbon emissions than if new</li> </ul>	<ul style="list-style-type: none"> <li>75% of trees retained, 25% re-provided</li> <li>Heversham and Bowness will meet 2030 Fuel Poverty Regulations and, where technically achievable, meet Energy Performance Certificate Level C</li> <li>New homes will have improved energy efficient building fabric and achieve net zero carbon targets, reducing operational carbon emissions and energy consumption</li> <li>Construction-related emissions</li> </ul>	<ul style="list-style-type: none"> <li>75% of trees retained, 25% re-provided</li> <li>New homes will have improved energy efficient building fabric and achieve net zero carbon targets, reducing operational carbon emissions and energy consumption</li> <li>Construction-related emissions</li> </ul>	<ul style="list-style-type: none"> <li>75% of trees retained, 25% re-provided</li> <li>New homes will have improved energy efficient building fabric and achieve net zero carbon targets, reducing operational carbon emissions and energy consumption</li> <li>New homes may lower overall carbon emissions</li> <li>Construction-related emissions</li> </ul>

Impact Area	Option 1	Option 2	Option 3	Option 4	Option 5
Social & Community	<ul style="list-style-type: none"> <li>No new community play areas proposed</li> <li>Great Estates programme may improve some communal areas</li> </ul>	<ul style="list-style-type: none"> <li>Some aesthetic block improvements</li> <li>No new community play areas proposed</li> <li>New buildings promote may pride of place, but may detract for existing residents</li> </ul>	<ul style="list-style-type: none"> <li>Usable green space at heart of estate, encouraging interaction</li> <li>New community play areas proposed</li> <li>Some new buildings promote may pride of place, but may detract for existing or remaining residents</li> <li>Gentrification may negatively impact existing communities</li> </ul>	<ul style="list-style-type: none"> <li>Usable green space provided at heart of estate, encouraging interaction</li> <li>New community play areas proposed</li> <li>All new buildings may promote pride of place</li> <li>Gentrification may negatively impact existing communities</li> </ul>	<ul style="list-style-type: none"> <li>New community play areas proposed</li> <li>Manor Grove gardens retained for residents who enjoy private back gardens</li> <li>Gentrification may negatively impact existing communities</li> </ul>
Social Infrastructure & Placemaking	<ul style="list-style-type: none"> <li>No change</li> </ul>	<ul style="list-style-type: none"> <li>Low temporary increased demand for local services</li> <li>Controlled pedestrian routes</li> </ul>	<ul style="list-style-type: none"> <li>Moderate temporary increased demand for local services</li> <li>Controlled pedestrian routes and clearer routes through the estate</li> </ul>	<ul style="list-style-type: none"> <li>High temporary increased demand for local services</li> <li>Controlled pedestrian routes and clearer routes through the estate</li> </ul>	<ul style="list-style-type: none"> <li>High temporary increased demand for local services</li> <li>Controlled pedestrian routes and clearer routes through the estate</li> </ul>

Impact Area	Option 1	Option 2	Option 3	Option 4	Option 5
Health & Wellbeing	<ul style="list-style-type: none"> <li>No change</li> </ul>	<ul style="list-style-type: none"> <li>Construction-related noise, pollution and stress</li> <li>New infill homes will have health and wellbeing benefits (e.g. layout, size, sunlight)</li> </ul>	<ul style="list-style-type: none"> <li>Construction-related noise, pollution and stress</li> <li>New homes will have health and wellbeing benefits (e.g. layout, size, sunlight)</li> </ul>	<ul style="list-style-type: none"> <li>Construction-related noise, pollution and stress</li> <li>New homes will have health and wellbeing benefits (e.g. layout, size, sunlight)</li> </ul>	<ul style="list-style-type: none"> <li>Construction-related noise, pollution and stress</li> <li>New homes will have health and wellbeing benefits (e.g. layout, size, sunlight)</li> </ul>
Safety	<ul style="list-style-type: none"> <li>Some essential lighting and pavement improvements</li> </ul>	<ul style="list-style-type: none"> <li>Construction-related safety risks (e.g. temporary structures and ASB)</li> <li>New infill homes will have health and safety benefits (e.g. fire safety)</li> </ul>	<ul style="list-style-type: none"> <li>Construction-related safety risks (e.g. temporary structures and ASB)</li> <li>New homes will have health and safety benefits (e.g. fire safety)</li> <li>Potential for concierge service on refinement of option</li> </ul>	<ul style="list-style-type: none"> <li>Construction-related safety risks (e.g. temporary structures and ASB)</li> <li>New homes will have health and safety benefits (e.g. fire safety)</li> <li>Potential for concierge service on refinement of option</li> </ul>	<ul style="list-style-type: none"> <li>Construction-related safety risks (e.g. temporary structures and ASB)</li> <li>New homes will have health and safety benefits (e.g. fire safety)</li> <li>Potential for concierge service on refinement of option</li> </ul>

Impact Area	Option 1	Option 2	Option 3	Option 4	Option 5
Moving Related Changes (All residents)	<ul style="list-style-type: none"> <li>5,376 sqm of existing private amenity space for 298 homes retained</li> </ul>	<ul style="list-style-type: none"> <li>5,992 sqm of private amenity space for 396 homes</li> </ul>	<ul style="list-style-type: none"> <li>6,377 sqm of private amenity space for 616 homes</li> <li>Help to move policy for vulnerable residents who are re-provided housing</li> <li>Single move policy considered in designs and phasing</li> </ul>	<ul style="list-style-type: none"> <li>5,500 sqm of private amenity space for 796 homes</li> <li>Help to move policy for vulnerable residents who are re-provided housing</li> <li>Single move policy considered in designs and phasing</li> </ul>	<ul style="list-style-type: none"> <li>8,012 sqm of private amenity space for 777 homes</li> <li>Help to move policy for vulnerable residents who are re-provided housing</li> <li>Single move policy considered in designs and phasing</li> </ul>

### 3.11. Special Considerations for Tenants

3.11.1. Social housing tenants will not be liable for any major communal costs for renovation or construction. **Rents will be calculated on the same basis as they are currently** (e.g. at LB Southwark council rent levels) and rates will be based on each property allocated or re-allocated. Rents may increase if a household moves from an existing to newly build property, however all existing social housing tenants will remain on council rent levels with LB Southwark tenancies.

3.11.2. Lettings policies and associated changes for social housing tenants will depend on the option pursued and whether or not a tenant is re-provided with newly built housing. Outcomes include:

- Option 1 will result in all residents remaining under current tenancy contracts. Residents living in overcrowded conditions may apply for a new home through the Southwark waiting list for social housing.
- Option 2 will result in most residents remaining under current tenancy contracts, as this option does not re-provide housing. New tenants allocated infill homes will be offered new tenancy contracts in line with LB Southwark allocations policy.
- Option 3 will result in some tenants (about 123, subject to change as options are refined) with new secure tenancies due to homes re-provided in this option.
- Option 4 will result in all tenants offered new tenancies because all homes are re-provided in this option.
- Option 5 will result in all non-Manor Grove social renters offered new tenancies because apart from homes at Manor Grove, all homes are re-provided in this option.

3.11.3. Existing tenants may also wish to consider a change in the way they pay water rates if Option 4 were to be pursued. Currently, tenants may pay water rates communally as part of their rent and other charges and if re-provided with a new home, may begin to pay rates to the utilities company directly against individual household meter readings. This may result in an increase or decrease in water rates paid if a household is smaller or larger than the previous pooled average. These changes are likely to be marginal, however.

### 3.12. Special Considerations for Leaseholders and Freeholders

3.12.1. Leaseholders whose property is retained as part of Options 1, 2, 3 and 5 (Manor Grove only) are subject to charges made to improve the communal areas of the estate. This is currently approximated by block, in accordance with the stock condition survey. Freeholders at Manor Grove will be charged for some lighting changes around Manor Grove if Manor Grove is retained.

3.12.2. Leaseholders and freeholders who see their property demolished and re-provided (e.g. Options 3 – 5) will be made an equity offer by LB Southwark. The offer consists of:

- Moving into an equivalent new home (by typology and bedroom size).
- Taking a share of that new home as equity, based on valuations of the existing and new properties.
- Not paying rent on the remaining share of the property.

- Having the choice to “buy out” the remaining share of the property owned by LB Southwark.

3.12.3. Leaseholders and freeholders may need to consult with their mortgage providers about this scheme. It has been expressed by residents that the scheme could pose potential risks with mortgages held by freeholders.

## Appendix 1 | Consultation Programme

Stage	Description	Input Gathered	Dates
1. Longlisting	Longlisting proposes costs and benefits for all options, which includes the identification of potential cost and benefit areas	<p><u>12/12/2019 RPG Meeting</u></p> <ul style="list-style-type: none"> <li>▪ Feedback gathered on inclusion of private as well as socially rented homes in the appraisal.</li> </ul> <p><u>23/01/2020 RPG Meeting</u></p> <ul style="list-style-type: none"> <li>▪ Altair presented plan for the cost-benefit analysis, and feedback included that some implications may only apply to some tenures.</li> <li>▪ A draft longlist of areas was proposed, with feedback from the RPG to also include: schools, health impacts, community safety, social networks, local businesses, the concierge service (wherever possible).</li> </ul> <p><u>05/02/2020 Public Drop-in</u></p> <ul style="list-style-type: none"> <li>▪ Altair presented a list of costs and benefits to be scored by residents by priority area. Residents described why they ranked the costs and benefits areas the way they did. Feedback included:               <ul style="list-style-type: none"> <li>- Public spaces (in particular gardens and green space), parking, employment and training and health and wellbeing scored highly in importance for residents (5 or more votes).</li> <li>- Social infrastructure, environmental, quality and moving-related factors did not score as highly in importance for residents (2 or less votes).</li> </ul> </li> <li>▪ Altair discussed with residents how the cost-benefit analysis could help them distinguish between the options. Residents described that the estate was home to many families and explained that they wanted to see the impact of the estate on future generations (e.g. their health and economic opportunities).</li> <li>▪ Handouts were made available in hard copy and on the Tustin Estate webpage for comment.</li> </ul>	w/c 13/01/2020 – 05/02/2020

Stage	Description	Input Gathered	Dates
2. Shortlisting	Once potential costs and benefits are agreed for all options, shortlisting considers what information is available, and which costs and benefits may be most appropriately monetised.	<p><u>27/02/2020 RPG Meeting</u></p> <ul style="list-style-type: none"> <li>▪ Altair presented an update following resident consultation on the longlist and draft shortlist of cost and benefit areas and their relevant assessment methodologies.</li> <li>▪ Altair shared how shortlist would be discussed with residents at 02/03/2020 options presentation.</li> <li>▪ Altair was asked to confirm the analysis considers household disruption (and length of programmes), pride of place, and community cohesion.</li> <li>▪ Altair received feedback that council tax would need to be considered in the analysis.</li> </ul> <p><u>02/03/2020 Options Presentation</u></p> <ul style="list-style-type: none"> <li>▪ Altair presented an initial assessment of 11 cost and benefit areas against five options presented using a red-amber-green rating system; residents accepted assessments made.</li> <li>▪ Altair received feedback from residents that it would be good to know how the options would impact biodiversity and trees on the estate (pending available design information).</li> <li>▪ Residents sought further detail on the costs and benefits of moving home in each of the options.</li> <li>▪ Handouts were made available in hard copy and on the Tustin Estate webpage for comment.</li> </ul>	w/c 10/02 – 16/03



Stage	Description	Input Gathered	Dates
3. Calculating monetary values	Once a methodology is determined for each agreed cost or benefit, and the final options are developed and agreed, calculations may be made to determine monetary values. These values may then be input into a cost-benefit model to show how the costs of each option compare to the benefits of each option.	<p><i>Note: Consultation programme delayed during Spring/Summer 2020 due to the impacts of COVID-19</i></p> <p><u>23/07/2020 RPG Meeting</u></p> <ul style="list-style-type: none"> <li>▪ Altair presented draft findings from CBA to residents for comment and feedback.</li> <li>▪ Altair was asked to incorporate any information available about the carbon emissions implications of the options into the final CBA report.</li> <li>▪ Altair sought feedback from group by phone or e-mail.</li> </ul>	w/c 23/03 – 10/08

## Appendix 2 | Determining NPSV of Options

Cashflow summaries for Options 2 – 5 via “CBA Cashflow and Options Summary v3.0”

### Option 2

Years	0 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 60
Costs	£0	£0	£0	£0	£0	£0
Benefits	£14,802,805	£10,473,987	£13,407,588	£17,162,847	£21,969,895	£28,123,323
Net Benefit Discounted	£14,802,805	£10,473,987	£13,407,588	£17,162,847	£21,969,895	£28,123,323
Net Benefits	£13,204,338	£5,693,529	£4,923,646	£4,257,867	£3,682,115	£3,184,217
Net Present Social Value	£34,945,712					

### Option 3

Years	0 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 60
Costs	-£153,889	-£181,210	-£231,965	-£296,934	-£380,101	-£486,562
Benefits	£48,934,329	£27,921,976	£35,742,490	£45,394,266	£58,108,498	£74,383,791
Net Benefit Discounted	£48,780,441	£27,740,765	£35,510,525	£45,097,332	£57,728,397	£73,897,229
Net Benefits	£44,546,839	£15,079,536	£13,040,470	£11,188,030	£9,675,176	£8,366,891
Net Present Social Value	£101,896,943					

### Option 4

Years	0 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 60
Costs	-£2,858,859	-£3,366,428	-£4,309,312	-£5,516,283	-£7,061,309	-£9,039,073
Benefits	£75,723,323	£36,286,403	£46,449,664	£57,407,255	£73,486,140	£94,068,472
Net Benefit Discounted	£72,864,463	£32,919,976	£42,140,352	£51,890,972	£66,424,831	£85,029,399
Net Benefits	£67,840,447	£17,894,891	£15,475,130	£12,873,439	£11,132,683	£9,627,313
Net Present Social Value	£134,843,902					

### Option 5

Years	0 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 60
Costs	-£2,730,951	-£3,215,809	-£4,116,508	-£5,269,478	-£6,745,377	-£8,634,653
Benefits	£69,943,456	£34,436,492	£44,081,621	£55,171,204	£70,623,805	£90,404,441
Net Benefit Discounted	£67,212,505	£31,220,683	£39,965,113	£49,901,726	£63,878,428	£81,769,788
Net Benefits	£62,447,823	£16,971,176	£14,676,321	£12,379,934	£10,705,910	£9,258,249
Net Present Social Value	£126,439,413					