

Merton Council

Cabinet Agenda

Membership

Councillors:

Stephen Alambritis (Chair)
Mark Allison
Nick Draper
Caroline Cooper-Marbiah
Andrew Judge
Edith Macauley MBE
Maxi Martin
Judy Saunders
Martin Whelton

Date: Monday 19 October 2015

Time: 7.15 pm

**Venue: Committee rooms C, D & E - Merton Civic Centre, London Road,
Morden SM4 5DX**

This is a public meeting and attendance by the public is encouraged and welcomed.
For more information about the agenda please contact
democratic.services@merton.gov.uk or telephone [020 8545 3361](tel:02085453361).

All Press contacts: press@merton.gov.uk, 020 8545 3181

Cabinet Agenda

19 October 2015

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Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

CABINET

14 SEPTEMBER 2015

(19.15 - 20.03)

PRESENT

Councillor Stephen Alambritis (in the Chair),
Councillor Mark Allison, Councillor Nick Draper,
Councillor Caroline Cooper-Marbiah, Councillor Andrew Judge,
Councillor Edith Macauley, Councillor Maxi Martin,
Councillor Judy Saunders and Councillor Martin Whelton

Ged Curran (Chief Executive), Caroline Holland (Director of Corporate Services), Chris Lee (Director of Environment and Regeneration), Yvette Stanley (Director of Children, Schools and Families), Simon Williams (Director of Community and Housing), Kay Eilbert (Director of Public Health), Paul Evans (Assistant Director Corporate Services), and Lisa Jewell (Democratic Services Officer).

ALSO PRESENT Councillors James Holmes and Peter Southgate.

1 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 1)

No Declarations of Pecuniary Interest were made

2 APOLOGIES FOR ABSENCE (Agenda Item 2)

No Apologies for absence were received

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes of the Cabinet Meeting held on 29 June 2015 were approved as a correct record

4 FINAL REPORT OF THE ONLINE STRATEGIES IN SCHOOLS SCRUTINY TASK GROUP (Agenda Item 4)

The Cabinet Member for Education presented the report of the online Strategies in Schools Task Group. He thanked Councillor Katy Neep, Chair of the Children and Young People Overview and Scrutiny Panel for the report which presented the findings and recommendations from the scrutiny review which considered online strategies in schools and how to mitigate e-safety risks. Cabinet members agreed that the online safety of children was of great concern and noted that the report contained 12 recommendations, including the following that would involve the council; ensuring all schools have an e-safety strategy, raising awareness of e-safety issues, using volunteers in libraries to raise awareness amongst parents and young people, identifying schools that are exemplars of good practice and encouraging all schools to undertake the council's e-safety audit.

Cabinet noted a small typing error in Recommendation A. and considered an updated version of this recommendation

RESOLVED

That Cabinet:

1. considers and endorses the report arising from the scrutiny review of online strategies in schools, attached at Appendix 1.
2. agrees to submit an Executive Response and Action Plan to the Children and Young People Overview and Scrutiny Panel, at their meeting in November 2015, outlining their response to the report and decisions taken regarding the recommendations made, including actions to implement the agreed recommendations.

5 ADULT EDUCATION COMMISSIONING UPDATE (Agenda Item 5)

The Cabinet Member for Education presented the report on Adult Education Commissioning and reminded Members of the reduced funding and budget cuts that led to the decision to move to a commissioning model for adult education. The report outlined the results of the soft market testing that confirmed that there was market for the council to commission adult education services and that formal procurement that combined small lots and a larger lot was reasonable and would increase flexibility in where services were provided.

Members noted that the report detailed the options for the Whately Avenue site, and that the results of the soft market testing suggested that potential providers did not see the unavailability of the site as a barrier to bidding. The report also detailed the financial risks in including the site in the tendering process.

The Cabinet Member for Education and the Director for Community and Housing both stated that the pre-decision scrutiny on this subject had been valuable.

RESOLVED

That Cabinet:

1. notes the progress made so far in moving to a commissioning model for adult education and the recent Skills Funding Agency announcement of further in year budget cuts
2. agrees to the procurement exercise commencing as outlined in this paper
3. agrees that the Whatley Avenue site is not made available as part of the procurement process for the newly commissioned adult education service

4. agrees that the Integrated Property Team (IPT) looks at alternative uses for the site.

6 REFERENCE FROM SUSTAINABLE COMMUNITIES SCRUTINY PANEL - ADULT EDUCATION COMMISSIONING UPDATE (Agenda Item 6)

The Cabinet Member for Education presented the report that detailed the recommendations of the Sustainable Communities Overview and Scrutiny Committee further to undertaking pre decision scrutiny of the Adult Education Commissioning Update. He thanked the Committee for their valuable work.

In accepting the following recommendations Cabinet noted that the decision to not include the Whately Avenue site in future options had been taken in the previous item.

RESOLVED

That Cabinet consider the following recommendations made by the Sustainable Communities O&S Panel, at their meeting on 2nd September 2015, further to considering the Adult Education Commissioning Update:

1. That Cabinet consider providing more detail (at paragraph 2.13 in the report) to explain that expressions of interest from providers in the Whatley Avenue site require further consideration, particularly regarding the scale of providers and curriculum offer, along with the costs of managing the site.
2. That Cabinet consider all options including maintaining the Whately Avenue site.
3. That Cabinet ensure that the user group be appropriately consulted during the commissioning process.

7 BUSINESS PLAN 2016-20 (Agenda Item 7)

The Cabinet Member for Finance presented the Business Plan 2016-2020 report to the Cabinet. He asked Cabinet to note that more than £22.5 million of savings will be required and that this will be a challenge. The report detailed departmental savings, which were to be applied using a weighting system in order to protect front line services and services to the vulnerable. The Director of Corporate Services asked the Cabinet to note that the detail of the Governments Comprehensive Spending Review would not be available until later in year, and so at this time, assumptions had been made in funding cuts.

RESOLVED

That Cabinet:

1. notes the rolled forward MTFS for 2016 - 20.

2. confirms the latest position with regards to savings already in the MTFS.
3. agrees the approach to setting a balanced budget using weighted controllable expenditure for each department as the basis for the setting of targets
4. agrees the proposed departmental targets to be met from savings and income.
5. agrees the timetable for the Business Plan 2016-20 including the revenue budget 2016/17, the MTFS 2016-20 and the Capital Programme for 2016-20.
6. notes the process for the Service Plan 2016-20 and the progress made so far.

8 FINANCIAL MONITORING REPORT - JUNE 2015 (Agenda Item 8)

The Cabinet Member for Finance presented the report which provided the regular monthly financial monitoring update for June 2015.

RESOLVED

That Cabinet:

1. notes the financial reporting data relating to revenue budgetary control, showing a forecast net underspend at year end of £0.47million, 0.3% of the net budget.
2. notes the following capital adjustments:

| Scheme | 2015/16 £000s | 2016/17 £000s | Narrative |
|------------------------------|------------------|------------------|--|
| Poplar Permanent Expansion | 40 | 0 | Contribution from school for landscaping works |
| Colliers Wood Library Re-Fit | (200) | 200 | Expenditure profile for the scheme now established and budgeted spend in 2016/17 |
| Industrial Estate Investment | (550) | 550 | The works required under the scheme pending the outcome of the Asset Review |
| Total | (710) | 750 | |

9 FINANCIAL MONITORING - JULY 2015 (Agenda Item 9)

The Cabinet Member for Finance presented the report which provided the regular monthly financial monitoring update for July 2015, and showed a forecast net

overspend at year end of £3.5 million, 2.3% of the net budget. The Director of Corporate Services explained that the overspend was being monitored closely.

RESOLVED:

That Cabinet:

1. note the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £3.5million, 2.3% of the net budget.
2. approve the virement of £119k from the corporate contingency to Children, Schools and Families for the first quarter costs of additional social worker capacity.
3. approve the adjustments to the capital programme detailed in appendix 5b
4. approve the following adjustments to the Capital Programme:

| Schemes | 2015-16 | 2016-17 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Admissions IT System | 105,000 | |
| Morden shopping parades | 111,000 | 410,000 |
| Brighter Business | 10,000 | 55,000 |
| | | |
| Total | 226,000 | 465,000 |

10 **TRANSFER OF COMMISSIONING RESPONSIBILITY FOR HEALTHY CHILD 0-5 SERVICES TO PUBLIC HEALTH, LB MERTON (Agenda Item 10)**

The Cabinet Member for Adult Social Care and Health presented the report which outlined the arrangements for the transfer of commissioning responsibility for Healthy Child 0-5 services from NHS England to Public Health LBM. From October 2015 to March 2016 this service will be provided by the Royal Marsden Hospital, additional funding from NHS England has been secured for this. The new service contract will commence. from 1 April 2016

RESOLVED:

That Cabinet:

1. notes arrangements for the transfer of commissioning responsibility for Healthy Child 0-5 Services to the London Borough of Merton.
2. authorise the novation of the contract for Healthy Child 0-5 Services from NHS England to the London Borough of Merton on 1 October 2015.

3. authorise the delegation to the Director of Public Health authority to enter into all documents necessary to effect the legal receipt of this commissioning responsibility, including the deed of novation.

11 HEALTH AND WELLBEING BOARD TERMS OF REFERENCE (Agenda Item 11)

The Cabinet Member for Adult Social Care and Health presented the report on the updated Terms of Reference for the Health and Wellbeing Board, and detailed one of the changes - the new role of Vice Chair which will be taken by the Chair of the CCG (Clinical Commissioning Group)

RESOLVED

That Cabinet agree the new Terms of Reference for Merton Health and Wellbeing Board and that these be included within the Council's Constitution

12 EXCLUSION OF THE PUBLIC (Agenda Item 12)

RESOLVED

That the public are excluded from the meeting during consideration of the following reports on the grounds that they are exempt from disclosure for the reasons stated in the reports.

13 BUILDING FABRIC MAINTENANCE & REPAIR TERM CONTRACT (Agenda Item 13)

The Cabinet Member for Finance presented the report on the award of the Building Fabric Maintenance Repair Term Contract

RESOLVED

That Cabinet awards a building Fabric Maintenance term contract to Tenderer B for a 3 year period from 1st December 2015 to 30th November 2018 with an option to extend for a further 2 years on a 1+1 basis at the discretion of the employer.

14 COMMUNITY SERVICES PROCUREMENT (Agenda Item 14)

The Director for Community and Housing and the Director of Public Health presented the report on Community Health Service Procurement

RESOLVED

That Cabinet approves the recommendation to award the contract for Lot 1 for the provision of Public Health Community Health Services jointly with Merton Clinical

Commissioning Group (as detailed in Appendix 1, this being subject to approval by Merton CCG Governing Body on 24 September).

15 THE AWARD OF A CONTRACT FOR TEMPORARY ACCOMMODATION SERVICES (HALL PLACE) (Agenda Item 15)

The Cabinet Member for Community and Culture presented the report on the award of a contract for temporary accommodation services.

RESOLVED:

That Cabinet:

1. agrees in principle to a 10 year arrangement with one and/or both of the preferred contractors to the value, detailed within the report, for the accommodation at Hall Place.
2. delegates to the Director of Community & Housing and the Cabinet Member for Community & Culture the best way to secure this arrangement.
3. agrees to an exemption from Contract Standing Order 22.1 (Contracts valued at or greater than the EU Threshold) under the provisions of Contract Standing Order 19 (Emergency Procurement) to enable the Council to enter into an arrangement(s) to secure the accommodation at Hall Place.

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Committee: Cabinet**Date: 19 October 2015**

Agenda item:

Wards: All Wards

Subject: Final Report of the Housing Supply Task Group

Lead officer: Rebecca Redman, Scrutiny Officer

Lead member: Councillor Abigail Jones, Chair of the Sustainable Communities Overview and Scrutiny Panel

Contact Officer: Rebecca Redman, rebecca.redman@merton.gov.uk; 020 8545 4035

Recommendations:

- A. That Cabinet considers and endorses the report arising from the scrutiny review of housing supply, attached at Appendix 1.
- B. That Cabinet agree to submit an Executive Response and Action Plan to the Sustainable Communities Overview and Scrutiny Panel, at their meeting in January 2016, outlining their response to the report and decisions taken regarding the recommendations made, including actions to implement the agreed recommendations.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To present the final report and recommendations resulting from the scrutiny review of housing supply (with a focus on affordable housing) for Cabinet consideration.

2. DETAILS

- 2.1 At the first meeting of the municipal year 2014/15, the Panel agreed to undertake a task group review looking at the provision of affordable housing.

3. CONSULTATION UNDERTAKEN OR PROPOSED

- 3.1 In carrying out its review, the task group engaged a range of stakeholders, council officers and cabinet members to ensure that evidence based recommendations could be made that would support the achievement of the aims of this review, as outlined below:

- To understand housing market characteristics and the level of housing need in Merton.

This would include:

- National and local policy context surrounding the provision of affordable housing;
- Data on housing need in Merton;
- The role of the local authority and partners (i.e. Registered Providers, private landlords and private developers) in ensuring good quality housing;

- An overview of what affordable housing is being built in Merton
 - To review the councils existing housing strategy with a view to strengthening/developing this policy in light of the reviews findings;
 - To determine how the council might support and encourage the production of new affordable homes in Merton and what land is available for development;
 - To determine what good practice exists elsewhere that might be utilised in responding to the demand for affordable housing
- 3.2 Appendix 1 of the Task Group Report lists those who contributed to the review.
- 4. TIMETABLE**
- 4.1 The Sustainable Communities Scrutiny Panel should receive an Executive Response and Action Plan from Cabinet at their January 2016 meeting.
- 5. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**
- 5.1 None for the purposes of this covering report.
- 7. LEGAL AND STATUTORY IMPLICATIONS**
- 7.1 None for the purposes of this covering report.
- 8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**
- 8.1 It is a fundamental aim of the scrutiny process to ensure that there is full and equal access to the democratic process through public involvement and engaging with local partners in scrutiny reviews. Furthermore, the outcomes of reviews are intended to benefit all sections of the local community. An Equalities Impact Assessment was completed as part of the review process and is available on request from the Scrutiny Team.
- 9. CRIME AND DISORDER IMPLICATIONS**
- 9.1 None for the purposes of this covering report.
- 10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**
- 10.1 None for the purposes of this covering report.
- 11. APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**
- 11.1 Appendix 1 – task group review report Housing Supply (with a focus on affordable housing)
- 12. BACKGROUND PAPERS**
- 12.1 None.



London Borough of Merton

Report and Recommendations arising from the Scrutiny Review of Housing Supply in Merton (with a focus on affordable housing)

Sustainable Communities Overview & Scrutiny Panel

September 2015

Appendix 1

Task Group Members

Cllr Ross Garrod (Chair)

Cllr Janice Howard

Cllr Imran Uddin

Cllr Michael Bull

Cllr Abigail Jones

Scrutiny Support

Rebecca Redman, Scrutiny Officer

For further information relating to the review, please contact:

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Appendix 1

Acknowledgements

We would like to thank all the officers and external witnesses who have taken the time to provide written and verbal information and discussed their ideas with us. All contributors are listed in Appendix 1 of this report.

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Foreword by Councillor Ross Garrod - Chair of the Task Group

Merton is a wonderful place to live with great transport links, vastly improving schools, a plethora of parks and green spaces and vibrant town centres. I am lucky that Merton has been my home since I was a few months old, when my parents decided to move the family to Mitcham from Chiswick. Now, however, many families in Merton are finding it difficult to afford to stay in the borough and are being forced to consider moving further away. Whether that is because house prices have soared (42% in the past 3 years) or because private rent has become unaffordable (Private rent has increased by 22% in past three years), or because demand for affordable housing far outstrips supply with 8229 residents on the housing register.

People we know; whether it be a colleague at work, a friend we went to school with or a family member, can no longer afford to stay in Merton. They are leaving their community, their support networks and potentially their jobs.

The housing crisis also impacts on the tax payer: with people unable to buy a home and unable to secure affordable housing the only option for many is the private rented sector - with sky high rents. The taxpayer is being asked to subsidise private landlords through the spiralling Housing Benefit bill. Nationally this cost the taxpayer £23.8 billion in 2013-14 –almost 30% of the entire welfare bill! By providing more housing at affordable rents it would help in some way with cutting the billion pound bill. It is in all our interests to act and to act now.

Unfortunately, this report will not solve the housing crisis. The problem is far wider than just Merton and needs to be tackled by national government. But there are things that can be done to ensure the supply of affordable housing is maximised in Merton. There are recommendations in this report to address issues with planning, overcrowding and development.

One of the recommendations, of which I am a vehement supporter, offers a clear path to get Housing Associations building through providing them with under utilised council owned land . In return the Council will have access to newly built properties to offer to those residents most in need on the Housing Register. It's a win/win. And the best part is that work can begin relatively quickly as the Housing Associations have the infrastructure and funding already in place to develop on these sites.

I have found throughout the process that the key to success is to keep things simple. The recommendations I hope do just that and can help bring real change to the affordable housing market in Merton, in consultation with Housing Associations who play a key role in meeting housing need.

I would like to end by thanking officers that provided evidence to this review, James McGinlay (Head of Sustainable Communities) and Steve Langley (Head of Housing Need and Enablement) and the many witnesses the Group have spoken to for their contributions. I would also like to offer my sincere thanks to Rebecca Redman from the Scrutiny Team for her support, dedication and hard work throughout this process.

I hope the report offers some sobering reading as well as some hope that we might support residents to secure more affordable housing in the borough.

Executive Summary

The Sustainable Communities Scrutiny Panel set up a task group with the aim of generating recommendations that would stimulate the supply of affordable housing in Merton. Affordable housing relates to social housing, affordable rent, and homes for sale at below market value. As house prices escalate, making home ownership difficult, and private rents increase, which are unaffordable for working families and often not accessible to Housing Benefit recipients, how to meet housing need is a challenge that all Councils' face.

Acknowledging that the supply of affordable housing is a national issue and that Merton is no longer a stock owning authority, and therefore unable to access funding through a Housing Revenue Account, the Task Group approached the review by considering the role of the Council as both an enabler and potential provider of affordable housing. In doing so, the Task Group sought evidence of good practice from other Local Authorities, engaged stakeholders such as Housing Associations, the GLA and the NHS, and utilised research and guidance from organisations such as Shelter, the Joseph Rowntree Foundation and the National Housing Federation, amongst others.

The approach the Task Group took was very much in line with the Government commissioned Elphicke-House Report (2014) and the recommendations it made to move councils from statutory provider to housing delivery enabler. It recommended that local authorities play a central role in supporting the provision of new homes, across all housing tenures, being more active in creating housing opportunities, using their own assets, and working closely with partners. The Task Group aligned their recommendations with these proposals.

It was clear from the outset of the review that the Council must meet housing need in a variety of ways; particularly as land availability and site size is an issue in Merton. So much so that even if all of the sites (both public and private ownership) were built out, this still wouldn't meet current housing need, let alone projected need, in the borough. What is clear in taking the recommendations made forward is that the Council needs to be in agreement about the priority it wishes to accord to enabling affordable housing development. This report, it is hoped, will help initiate that debate and provides a number of viable, alternative models to meet housing need, offering imaginative solutions that the council may pursue.

The recommendations resulting from the review seek to:

- Build stronger relationships with Housing Associations and the Private Rented Sector, acknowledging the key role they play in meeting housing need;
- Strengthen the Council's position as an enabler of housing development, in its engagement with private developers and seeking to deliver the maximum amount of affordable housing possible;
- Encourage the role of the Council as a provider of housing; and
- Support those in priority need and on the Council's Housing Register to access affordable housing

Appendix 1

Some recommendations may also be achieved or supported should the Housing Development Company Model be accepted and taken forward. Furthermore, a number of recommendations are linked and require dialogue and effective partnership working with Housing Associations to deliver. The task group wishes to take forward these recommendations in consultation with Housing Associations across Merton and London.

Appendix 1

List of recommendations

| Recommendations | Stakeholder/ Responsible Team |
|--|-------------------------------------|
| Recommendation 1 - That Cabinet work with the private rented sector to encourage landlords to let properties to residents on the Housing Register and in receipt of Housing Benefit. (paragraph 6.16) | |
| Recommendation 2 - That Cabinet explore the opportunities for providing temporary accommodation in house. This should include a review of both housing need and disruption to residents placed out of borough, as well as the potential financial benefits to the Local Authority. This should also enable the council to meet requirements regarding tenure, in particular for larger units for families. (paragraph 6.28) | |
| Recommendation 3 - That a report is presented to the Sustainable Communities Scrutiny Panel in anticipation of the proposed Pay to Stay policy on how residents might be incentivised to move on to alternative forms of affordable housing, freeing up much needed social housing. (paragraph 7.12) | |
| Recommendation 4 - The Cabinet undertake a review into the effectiveness of viability assessments and make recommendations on challenging developers to enable the provision of more affordable housing. (paragraph 8.12) | |
| Recommendation 5 - That Cabinet agree to consider whether viability assessments can be made available for review to Councillors on the Planning Application Committee. (paragraph 8.12) | |
| Recommendation 6 - That the planning department proactively considers using their right to review powers on developments that don't meet the 40% affordable housing target. (paragraph 8.12) | |
| Recommendation 7 - That the Council encourages developers to engage with Registered Providers, at an earlier stage in the planning process, on the development of affordable housing. (paragraph 8.12) | |
| Recommendation 8 - That Cabinet consult with councillors and community groups on potential sites and land that present opportunities for the development of affordable housing (paragraph 8.13). | |

Appendix 1

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| <p>Recommendation 9 - That the Cabinet consider opportunities for gifting small to medium pockets of land in council ownership to Housing Associations in order to stimulate the creation of more affordable housing to meet demand. In doing so, Cabinet should submit a report to the Sustainable Communities Scrutiny Panel for review on the business case and council's ability to gift land and on what might be proposed to housing associations within this. As part of any agreement with Housing Associations on the use of council land/sites, the Council should receive full nomination rights to all properties developed. (paragraph 8.19)</p> | |
| <p>Recommendation 10 - That the Cabinet agree to consult with Registered Providers in revising the terms of reference of the MerHAG Group, to enable a more regular forum for proactive engagement with Housing Associations and Registered Providers on the opportunities for, and barriers to, the development of affordable housing in Merton. (paragraph 10.7)</p> | |
| <p>Recommendation 11 - That the Council effectively communicates its sites and plans policy to Registered Providers. (paragraph 10.7)</p> | |
| <p>Recommendation 12 - That the Sustainable Communities Scrutiny Panel invites all Registered Providers in operation in the borough to a future meeting to gather information on their overcrowding strategies and to make any recommendations, as appropriate. The Panel should also engage other Local Authorities to look at good practice, including Richmond Council who the task group met with as part of this review. (paragraph 12.20)</p> | |
| <p>Recommendation 13 - That the Council consider the proposal for a Housing Development Company in Merton and ensure that it meets Council policy on affordable housing, encouraging where possible, given that it is a Council owned vehicle that it provides above and beyond the baseline of 40% affordable housing. (paragraph 13.16)</p> | |
| <p>Recommendation 14 - That Cabinet explore effective policy enacted by other London Councils to unlock land banking and stalled development sites to ensure that affordable housing can be developed sooner. (paragraph 13.16)</p> | |
| <p>Recommendation 15 - That Cabinet identify sites to commission the development of intermediate products, such as Pocket homes, in order to meet the needs of those trying to secure ownership of a property but unable to afford full market values. (paragraph 14.6)</p> | |

Appendix 1

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| Recommendation 16 - That Cabinet identify sites to commission the development of homes, such as those offered by YCube, in order to support residents to move out of temporary accommodation or social housing. (paragraph 14.10) | |
| Recommendation 17 - That the Council lobby the Sec. of State for Health to simplify structures regarding land ownership and responsibilities for selling off NHS land. (paragraph 14.20) | |

Final Report of the Task Group

1. Introduction

- 1.1 The Council's Sustainable Communities Overview and Scrutiny Panel, at its meeting on 3 July 2014, agreed to establish a Task Group review to look at how the council was responding to demand for housing, in particular, social and affordable housing, and what could be done to increase housing supply given the councils status as a non stock owning authority.

Rationale

- 1.2 London is in the grip of a severe housing shortage. London's council stock has declined over the last 20 years as a result of right to buy, transfer to housing associations and stalled building programmes. Right to buy was a positive development, allowing people to access home ownership. However, it did not achieve one for one replacement as proposed which has also contributed to the shortage of available affordable housing. There are 380,000 people on London's local authority waiting lists¹ and an affordability crisis is preventing many from purchasing their own home. Residents are now increasingly reliant upon the private rented sector or social housing, with 26% of households in London renting privately and owner occupation falling to only 27%.²
- 1.3 The spiralling costs of housing benefit and the number of new applicants for housing benefit and council housing who are in employment is also of concern. New applications for housing benefit from those in work to Merton Council currently stands at 3,700 claims where claimant and or partner are in work, and 1,100 claims, where claimant and or partner are self employed.
- 1.4 Furthermore, overcrowding is an issue. Data from the Office for National Statistics shows that homes with six residents are the fastest growing category of household and 3 million people in the UK now live in a home with at least five other individuals³. London's lower income families are particularly affected, needing larger

¹ London Assembly –Housing Committee, *Right to build: what's stopping councils from building more housing?* (2013)

² GLA - *Housing in London 2014: The Evidence base for the Mayor's Housing Strategy*

³ <http://www.theguardian.com/society-professionals/2014/aug/08/housing-problems-affect-health>

Appendix 1

accommodation, but unable to afford spiraling rents for family homes that are in short supply⁴.

- 1.5 There is also significant pressure on those under the age of 40 who are finding it difficult to access home ownership, placing greater demand on the private rented sector and on the councils housing register. With house prices rising 5% year on year and a shortage of affordable homes, by 2025 it is anticipated that more than half of those under 40 will be living in private rented accommodation (7.2 million households).⁵ Private renting is now the norm for those who cannot afford to buy, but do not qualify for social housing. Furthermore, across London the average rent stands at £1,854 a month.⁶
- 1.6 The need for family homes is also great, but larger homes command a very high premium in London, with a typical four-bedroom home costing 63% more than a three bedroom property. Furthermore, the typical first time buyer in London is now borrowing nearly four times their annual income.⁷
- 1.7 Members acknowledged in selecting this as the focus of a task group review, that there is a particular need to build more social homes, to provide secure and decent homes for people in housing need, and for more intermediate and affordable homes that will bring the benefits of home ownership to people who have been shut out by the market, also providing a more affordable alternative to private renting.⁸
- 1.8 The Mayors London Housing Strategy (2014) has set a target for local councils, to meet housing need across London, of 42,000 new homes (at an increase of about 33% in stock) across all tenures, per year. Councils therefore need to respond by making the very best use of their housing resources to tackle the rate at which population growth (estimated to reach 10 million by 2030) is outpacing growth in the number of households across London,⁹ and rising house prices outpace earnings growth¹⁰.
- 1.9 Equally, high land values in London act as a significant brake on the supply of council homes. Many boroughs own land (Local authorities own around 20% of land identified

⁴ London Assembly –Housing Committee, *Right to build: what's stopping councils from building more housing?* (2013)

⁵ <http://www.theguardian.com/money/2015/jul/22/pwc-report-generation-rent-to-grow-over-next-decade>

⁶ <http://www.standard.co.uk/news/london/average-london-home-will-cost-650000-by-2020-report-warns-8993294.html>

⁷ <https://www.london.gov.uk/priorities/housing-land/consultations/draft-london-housing-strategy>

⁸ Shelter, *In the mix: the need for a diverse supply of new homes* (2014)

⁹ GLA - *Housing in London 2014: The Evidence base for the Mayor's Housing Strategy*

¹⁰ <http://www.theguardian.com/money/2015/jul/22/pwc-report-generation-rent-to-grow-over-next-decade>

as suitable for development) and can assemble small parcels for development. However, they can only develop it in partnership with private or social sector developers. Affordable housing providers also experience high land costs as a major barrier to development in the areas of greatest housing need and often find it difficult to compete with private developers. Borrowing finance to invest in building for local authorities is also difficult as they are particularly constrained.¹¹

- 1.10 The role of councils then is to act as both an enabler and provider of housing. They need to provide strong leadership to deliver housing and growth and ensure the involvement of communities in the design of homes, ensuring mixed tenure is provided in line with projected demographic change. In Merton the population is anticipated to increase to 223,700 by 2019 and Merton Council will have to be innovative and creative to meet housing need with very few sites available that are suitable for housing development. The Task Group sought to explore how Merton might provide or better enable the provision of affordable housing.

Housing and Health

- 1.11 The Task Group also acknowledged the need to address the impact of housing on the health and wellbeing of residents. The scientific evidence on the many links between housing and health has grown substantially in recent decades. This evidence can be used to guide "primary preventive" measures related to housing construction, renovation, use and maintenance, which can promote better overall health.¹²
- 1.12 According to the World Health Organisation "there is a clear need and opportunity for governments and others to promote health in the course of making investments in housing. A safe, settled, home is the cornerstone on which individuals and families build a better quality of life, access the services they need, and gain greater independence. In contrast, homelessness and poor housing multiply inequalities and have a long-term impact on physical and mental health. The health effects of poor housing also disproportionately affect vulnerable people: older people living isolated lives, the young, those without a support network and adults with disabilities¹³. Housing quality is also an important determinant of health and a marker for poverty. The condition of housing stock is a major influence on the borough's capacity to reduce inequality.
- 1.13 The Task Group invited the Director of Public Health to comment on the health impact that poor housing has on the health and wellbeing of individuals. A warm, dry and secure home is associated with better health. In addition to basic housing

¹¹ Shelter, *Increasing investment in affordable homes* (2014)

¹² <http://www.theguardian.com/society-professionals/2014/aug/08/housing-problems-affect-health>

¹³ <http://www.theguardian.com/society-professionals/2014/aug/08/housing-problems-affect-health>

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requirements, other factors that help to improve wellbeing and the ability to live independently include the neighbourhood, security of tenure and modifications for those with disabilities. Poor quality housing can also increase the risk of illness and long term health conditions. Overcrowding and homelessness also impact on both physical and mental health.

- 1.14 The impact on other public service budgets must also be considered. The Building Research Establishment (BRE) estimates that poor housing costs the NHS in England at least £1.4bn per year,¹⁴ indicating that the health impact of poor quality housing is on a par with smoking. The BRE's research provides a strong case for achieving significant public health gains through focusing on the most cost-effective improvements to the homes of the most vulnerable people, including addressing cold homes and hazards.
- 1.15 Whilst the Director of Public Health welcomed economic growth in the borough, she urged the task group to consider wellbeing when making recommendations about the quality of existing housing and also in the development of new build housing.

Purpose

- 1.16 Meeting housing need is imperative, in particular for the impact it has on health, wellbeing and life chances for residents. It is therefore important that the Council meets housing need in a variety of ways; some of these are explored throughout this report. Registered Providers are central to this process, as well as access to funding, land and sites, and development capacity.
- 1.17 Given that Merton is a non stock owning authority, the Task Group sought to explore the Council's current role as an enabler of housing development, and any good practice that could be utilised, as well as the potential for the council to be a provider of housing, that is not limited by the council not holding a Housing Revenue Account. Options are therefore considered that look at the role of the council as both a provider and an enabler of housing development in this report.
- 1.18 The overarching aim for the review therefore was to generate recommendations that would have a positive impact on the supply of affordable housing in Merton.
- 1.19 The following Terms of Reference for the Task Group review were agreed:
- To understand housing market characteristics and the level of housing need in Merton.

This would include:

¹⁴ BRE (2015) *The Cost of Poor Housing to the NHS* <http://www.bre.co.uk/filelibrary/pdf/87741-Cost-of-Poor-Housing-Briefing-Paper-v3.pdf>

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- National and local policy context surrounding the provision of affordable housing;
 - Data on housing need in Merton;
 - The role of the local authority and partners (i.e. Registered Providers, private landlords and private developers) in ensuring good quality housing;
 - An overview of what affordable housing is being built in Merton
- To review the councils existing housing strategy with a view to strengthening/developing this policy in light of the reviews findings;
 - To determine how the council might support and encourage the production of new affordable homes in Merton and what land is available for development;
 - To determine what good practice exists elsewhere that might be utilised in responding to the demand for affordable housing

2. What is affordable housing?

2.1 The National Planning Policy Framework defines Affordable Housing as:

“Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.”

2.2 In terms of the Council’s strategic housing responsibilities, affordable housing is housing provided at below market costs for local people who are unable to afford market priced accommodation, to either rent or buy. The term may include:

General social rented (whereby tenants rent at below market costs from a registered provider (Housing Association));

Affordable rent tenancies (where tenants rent from registered providers at up to 80% of a market level rent); and

Shared ownership (where tenants have a combination of renting and borrowing to take a share of the equity of a property. This category is often called “intermediate” as a short hand term)

2.3 To better illustrate the current state of affordability in the property market across all demographics, Members utilised research by *Shelter*, which analysed the asking price for properties listed for sale on a property search

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website on a single day in March 2015.

- 2.4 Shelter highlighted that London has the lowest affordability, with only 43 listings (0.1% of the market) identified in London¹⁵ as being affordable for a family. Further analysis of these listings found that even this number is likely to be optimistic, since only nine of the 43 properties would be a genuine option for a family to buy. It is not just families that are unable to obtain affordable housing, Shelter found that, across London, there were only 436 homes (1.1%) with at least two bedrooms that a couple could afford, whilst only 64 of these homes had at least three bedrooms, and for single people there were only 56 homes that were affordable, with only eight of these homes with two or more bedrooms¹⁶.

Housing Landscape across London

- 2.5 London's housing market is distinct from the rest of the country. The demand for property, the mix of tenures and households, the difference in affordability of renting or buying, and the levels of acute housing need, all distinguish the London housing market from England as a whole, and have major implications for the delivery of housing that is affordable.¹⁷
- 2.6 New supply of housing in London has historically lagged behind household projections. Official projections for London suggest that household numbers will grow at an average of 36,000 per year to 2033. In addition, on average, house prices in London are 57 per cent higher than England as a whole, and continue to grow at a faster rate, in both inner and outer London boroughs.¹⁸
- 2.7 The Greater London Authority (GLA) Housing Land Review of 2009 estimated that in total, London has capacity for the construction of 360,062 new homes between 2011 and 2021. The same GLA study also stressed the potential of London's 99,918 small sites (less than 0.25 hectares), which in principle could provide a total of 33,000 new homes over the coming decade, providing greater scope for London boroughs to deploy and invest land assets more proactively to generate more housing.¹⁹
- 2.8 40,000 affordable homes were delivered across London under the last Mayor's Housing Strategy. However, the number of publicly funded affordable homes completed fell in 2012/13. Despite London's planning 'pipeline' having 216,500

¹⁵ As at March 2015.

¹⁶ Shelter (April 2015): *How much of the housing market is affordable?*

¹⁷ Joseph Rowntree Foundation (2013): *Changes to affordable housing in London and the Implications for Delivery*

¹⁸ Joseph Rowntree Foundation (2013): *Changes to affordable housing in London and the Implications for Delivery*

¹⁹ Joseph Rowntree Foundation (2013): *Changes to affordable housing in London and the Implications for Delivery*

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homes, these are either under construction, or approved but not yet started. It is also Inner London that has the highest level of support for new house building in the country, while Outer London has the lowest.²⁰

- 2.9 The affordability of owner occupation is also problematic in London with an average house price of £481,820 (as at June 2015). In Merton, the average house price is £469,217.²¹ It is anticipated that the average UK home will be worth around £360,000 by 2020²² and in London it will cost £647,500, according to a report by the National Housing Federation.²³ The average price of a home for a first time buyer in London is £384,000²⁴ and across the UK house prices increased by 5.7% (May 2015).²⁵
- 2.10 Coupled with this is the difficulty of accessing funding to generate the deposits required. Only 4% of first time buyers expect to purchase their home within the next year, linked also to the burden of housing costs being highest for renting households. In London, average private rents rose quicker than in the rest of the country, both before and after the housing market downturn and London have by far the highest average private sector rents in the country.²⁶ Equally, changes to the benefit system mean that families and individuals across London are facing new housing pressures, leading to a rising need for additional temporary and permanent solutions, and an increased use of temporary accommodation, both in and out of borough.²⁷
- 2.11 However, the Task Group acknowledged that viewing the solution to delivering more affordable housing as simply boosting housing supply numbers and maximising targets is incomplete. It is not just a case of needing to build many more 'affordable homes', although this is imperative, but also to reach a clear view of who these properties are for, be it private rented, social tenants or to ensure those who aspire to own a home may do so.
- 2.12 This broadening of the definition of housing need responds to the perception that there are a growing number of individuals who do not qualify for housing benefits, but who nevertheless cannot afford to live in London.²⁸

²⁰ <https://www.london.gov.uk/priorities/housing-land/consultations/draft-london-housing-strategy>

²¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447551/June_2015_HPI.pdf

²² <http://www.theguardian.com/money/2015/jul/22/pwc-report-generation-rent-to-grow-over-next-decade>

²³ <http://www.standard.co.uk/news/london/average-london-home-will-cost-650000-by-2020-report-warns-8993294.html>

²⁴ Office for National Statistics – House Price Index 2015

²⁵ http://www.ons.gov.uk/ons/dcp171778_410532.pdf

²⁶ <https://www.london.gov.uk/priorities/housing-land/consultations/draft-london-housing-strategy>

²⁷ Joseph Rowntree Foundation (2013): *Changes to affordable housing in London and the Implications for Delivery*

²⁸ Joseph Rowntree Foundation (2013): *Changes to affordable housing in London and the Implications for Delivery*

3. Housing Strategy for London

- 3.1 The Mayor of London is responsible for planning across London at a strategic level. The 33 London boroughs are the local planning authorities for their areas. The key strategic policies to which councils must work to deliver affordable housing are as follows:

The London Plan - overall strategic plan for London setting out a fully integrated economic, environmental, transport and social framework for the development of the capital to 2036. London boroughs' local plans need to be in general conformity with the London Plan, and its policies guide decisions on planning applications by councils and the Mayor.

- 3.2 Within the London Plan, it is stated that development should be designed so that the layout, tenure and mix of uses interface with surrounding land and improve people's access to social and community infrastructure, employment and training opportunities, commercial services and public transport. Development should enable people to live healthy, active lives, maximize the opportunity for community diversity, inclusion and cohesion; and should contribute to people's sense of place, safety and security.
- 3.3 Councils are requested to plan across services to ensure the nature and mix of existing and planned infrastructure is complementary and meets the needs of existing and new communities.

The London Housing Strategy - provides policies to meet the housing needs of London's growing population with well-designed homes of all tenures, and in particular to support London's working households.

- 3.4 The Mayor's Strategy aims to put in place the resources to deliver more than 42,000 new homes a year. This requires the full commitment of London boroughs, of government, and of private and public sector developers. This drive includes freeing up local councils to build, bringing forward surplus public land, and developing Housing Zones across the capital to drive delivery. The Strategy also aims to increase opportunities for home ownership, by improving the private rented sector and by ensuring working Londoners have priority for affordable homes to rent.

4. Housing Strategy in Merton

Affordable Housing Targets

- 4.1 The councils planning system helps to deliver affordable homes through the application of an affordable housing target. All developments must submit a viability assessment that demonstrates the percentage of affordable housing that can be delivered. At present the council aims for 40% affordable housing as part of all

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housing developments within the borough. To date, the council has delivered 37% affordable housing year on year.

- 4.2 The Council, as a non stock owning housing authority, works with registered providers (Housing Associations) and the GLA to identify and fund affordable housing. The delivery of new homes depends on landowners, registered providers and property developers completing the schemes for which they have planning permission.
- 4.3 The council's Core Plan (2011) and Affordable Housing Policy requirements are as follows (This may be subject to further challenge):

| Threshold | Affordable Housing Target | Affordable Housing Tenure split | Provision requirement |
|------------------|----------------------------------|--|---|
| 10 units or more | 40% | 60% affordable rented + 40% intermediate | On site unless exceptional circumstances |
| 1-9 units | 20% | 60% affordable rented and 40% intermediate | Provision of an affordable housing equivalent to that provided on site as a financial contribution. |

- 4.4 When developing affordable housing provision, the council has regard to site characteristics such as site size, site suitability and economics of provision such as financial viability issues and planning contributions. Under the current planning system, councils must allow developers to negotiate the level of affordable housing on their development, according to what the developer can pay. More than 90% of the planning applications received in Merton for new homes are for less than 10 homes.
- 4.5 However, developers are allowed to negotiate the level of affordable housing on each site according to what is viable. This has been coupled with a reduction in unit grant levels for affordable housing from the Greater London Authority. Funding has been halved and affordable rent levels have been capped.
- 4.6 In the past the Council has contributed council owned land to provide additional homes. However, land holdings are very limited and future opportunities to assist provision in this way will be scarce. Therefore, since 2011, the council has been working hard to encourage landowners and developers to build their development sites in order to provide more homes and the infrastructure necessary to support them.

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- 4.7 The GLA intends to implement a Pan London top slice of affordable rented homes, which is due to come into force as a condition of 2015 – 2018 affordable housing funding allocations. This replaces the South West London sub-regional pooling arrangements for nominations to new build affordable housing.
- 4.8 5% of homes will be let on a Pan London basis and 100% on strategic sites (currently defined as those sites with 150 homes or more across all tenures). In addition the Registered Provider will retain 10% for nomination.
- 4.9 Registered Providers will also have the opportunity to substitute certain types of units, including those with 4 or more bedrooms and adapted or specialist units that have been developed to meet a specific local need.

5. Housing Need in Merton

- 5.1 Merton currently acts as an enabler of housing development as an authority that no longer owns housing stock. Merton transferred its housing stock in 2010 to a registered provider, Circle Housing Merton Priory (CHMP), and therefore no longer retains a Housing Revenue Account from which to draw funds for housing provision. This was to partly enable social housing to be brought up to Decent Homes Standard.
- 5.2 Members considered both current and future housing need in this review, anticipating demographic change and its likely impact on volume and tenure of housing required. The Council carried out a borough wide affordable housing needs survey in 2005 to ascertain the number of people in need of affordable homes in all parts of the borough. In 2010 the council published a Merton Strategic Housing Market Assessment, which indicated that the demand for affordable housing outstrips supply.
- 5.3 Members learned that the number of people living in Merton is expected to increase over the next 16 years from approximately 192,000 by around 3%, to about 198,700 in 2026, creating need for more homes and other supporting services to cope with a larger population. Merton's population is fairly youthful with around half in the 15-45 year old age group. It is also a diverse borough, which gives rise to specific needs such as accommodating larger households.
- 5.4 At present, 8229 residents are registered on the Council's Housing Register and require the following bedsize:

| Bedsize | Total | |
|---------|-------|--------|
| 1 | 3739 | 45.44% |
| 2 | 2536 | 30.82% |
| 3 | 1575 | 19.14% |
| 4 | 321 | 3.90% |

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| | | |
|--------------|-------------|-------|
| 5 | 48 | 0.58% |
| 6 | 9 | 0.11% |
| 8 | 1 | 0.01% |
| Total | 8229 | |

- 5.5 Residents are categorised on a banding system on the Housing Register that is reflective of the criteria that residents must meet to be a priority for social housing, these are:

| Band | Criteria | Volume |
|--------------|-----------------------------------|---------------|
| A | Medical, overcrowding etc. | 51 |
| B | Priority – threat of homelessness | 202 |
| C | Transfers | 1375 |
| D | Special Quota | 17 |
| E | Accepted Homeless | 98 |
| F | Older persons | 730 |
| G | General Housing Register | 5473 |
| H | Low priority / Out of Borough | 283 |
| Total | | 8229 |

6. Roles and Responsibilities of Local Authorities in meeting housing need

- 6.1 Merton Councils Housing Strategy delivers, at a local level, the priorities within the Mayor's London's Housing Strategy (2014). Merton Council are responsible for managing the demand for affordable housing by:

- Playing a strategic role, enabling registered provider liaison and housing need assessments to be undertaken;
- Responding to homelessness obligations and undertaking homelessness assessments;
- Managing the social housing nominations and lettings policy;
- Providing housing advice and managing tenancy relations with private sector landlords; and

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- Producing housing strategies and addressing housing issues in the area (as outlined within the Local Government Act 2003)
- 6.2 The Local Authority is required to play a strategic housing role by assessing and planning for the current and future housing needs of the local population across all tenures, seeking to make the best use of existing housing stock in the social and private rented sectors, and planning for new housing supply and housing support services, granting resources to help improve vulnerable residents independence and health.
- 6.3 Merton maintains a Housing Needs and Enabling Team in order to meet demand for housing from residents through the provision of temporary accommodation, supporting resident to access affordable housing and to administer the choice based lettings system, which enables residents to access social housing provided by CHMP and other RP's in the borough. The councils planning and Future Merton teams also play a role in regeneration of the borough, ensuring growth, attracting developers and approving planning applications to deliver mixed tenure housing across the borough.
- 6.4 The Council currently meets housing need in the following ways:

Social Housing: Nominations and Choice Based Lettings

- 6.5 Across London, social housing is the most concentrated of the tenures, comprising a high proportion of housing in many Inner London neighbourhoods and 24% overall.²⁹ Merton is no longer a stock owning authority, having transferred its stock to Circle Housing Merton Priory (CHMP) in 2010, under a large scale voluntary transfer agreement. The Council has nomination rights to many of the properties in the borough provided by Housing Associations.
- 6.6 The Councils Housing Register and Nominations Policy sets out its position in respect of nominating people for offers of permanent accommodation to Housing Associations and other registered providers. Following the stock transfer, applicants on the Council's housing register are provided with social housing through nomination agreements the Council has with Housing Associations in the borough (in line with The 1996 Housing Act and 2002 Homelessness Act). Local Authorities are required to give reasonable preference in their allocation policies to applicants with high levels of assessed housing need.
- 6.7 Available housing association homes are advertised on the Choice Based Lettings (Home Connections) website. Applicants can express an interest in advertised properties and residents are nominated to the housing association in accordance with the Councils Housing Register and Nominations Policy.

²⁹ https://www.london.gov.uk/sites/default/files/Housing%20in%20London%202014%20-%20Final_1_0.pdf

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Private Rented Sector

- 6.8 The Mayor of London has recorded that 26% of households in London rent privately. The shortfall in new housing supply in both the social and private sectors has also increased the number of overcrowded or 'sharing' households. The private rented sector is now larger than the social sector counterpart and the second largest tenure.³⁰ Very little of this increase is attributable to new stock, the majority being previously owner occupied homes.
- 6.9 There is a buoyant private rented sector with rising rents resulting from fewer people being able to get on the property ladder. People cannot afford to buy due to high house prices and therefore have no choice but to rent privately. The average weekly private sector rents across Merton (according to the GLA London Rents Map) are as follows³¹:

| Tenure | Weekly rental values |
|--------|----------------------|
| 1 bed | £253 |
| 2 bed | £311 |
| 3 bed | £368 |
| 4+ bed | £547 |

- 6.10 Local Housing Allowance (LHA) applies to new and change of address claims for Housing Benefit (HB) for tenants renting accommodation from a private landlord. LHA rates are based on the number of bedrooms in the property and the area or Broad Rental Market Area (BRMA) it is in. The number of bedrooms a person can claim HB for depends on their household. The LHA rates for 2015-16 are as follows (weekly rates):

| | Shared rooms | One bedroom | Two bedrooms | Three bedrooms | Four Bedrooms | Five bedrooms |
|-------------------------|--------------|-------------|--------------|----------------|---------------|----------------|
| Inner South West London | £94.38 | £253.82 | £302.33 | £354.46 | £417.02 | Not applicable |

³⁰ https://www.london.gov.uk/sites/default/files/Housing%20in%20London%202014%20-%20Final_1_0.pdf

³¹ <http://www.london.gov.uk/priorities/housing-land/renting-home/rents-map?source=vanityurl>

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| | | | | | | |
|--------------------------------|--------|---------|---------|---------|---------|----------------|
| Outer South West London | £84.91 | £209.77 | £280.60 | £336.96 | £417.02 | Not applicable |
| Outer South London | £82.46 | £167.22 | £210.57 | £279.14 | £344.38 | Not applicable |

6.11 In Merton lettings facilitated for residents on the Housing Register, by tenure, are as follows (June 2015):

| Bed size | |
|-----------------|------------|
| Bedsit / studio | 9 |
| 1 bed | 248 |
| 2 bed | 162 |
| 3 bed | 70 |
| 4 bed | 9 |
| 5 or more beds | 0 |
| Total | 498 |

6.12 By property type, lettings to private rented sector landlords are as follows:

| Property type | |
|----------------------|------------|
| Bungalow | 5 |
| Flat | 375 |
| Flat/DPU | 4 |
| House | 93 |
| Maisonette | 12 |
| Studio / Bedsit | 9 |
| Grand Total | 498 |

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- 6.13 The reduction in available private rented sector accommodation means that landlords are reluctant to let properties to tenants in receipt of housing benefit and prefer private tenants. This has implications for the council in that lower income households have difficulties accessing the market and therefore require social housing, which is in short supply. The use of the private rented sector as a means of increasing supply and reducing demand for affordable housing has been a central plank in the Council's homelessness prevention strategy, with over 1000 "priority need" households moving into the private rented sector since 2004. Merton Council has been at the forefront of councils using the private rented sector in this way and continues to have the lowest number of people in London in temporary accommodation, through active and assertive work with people in housing need.
- 6.14 Households accommodated in the private sector are supported by a Rent Deposit Scheme, which has been developed to provide a rent deposit to the landlord, with the aim of offering this service to households accepted as homeless and applicants via the Allocations Scheme who are under a direct threat of homelessness.
- 6.15 It is recognised that the prompt administration of Housing Benefit is crucial, to enable people to remain in their tenancies, particularly in the private rented sector, and to encourage private sector landlords to accommodate new tenants.
- 6.16 Residents that apply for social housing also do so due to being evicted by landlords. Security of tenure within the private rented sector is a factor in the increase in housing need. The council has legal powers to prosecute landlords for illegal evictions and work alongside partners from the Citizens Advice Bureau (CAB) and the Department for Work and Pensions (DWP) to address issues residents experience regarding affordability.

Recommendation 1 - That Cabinet work with the private rented sector to encourage landlords to let properties to residents on the Housing Register and in receipt of Housing Benefit.

Homelessness and Temporary Accommodation

- 6.17 The Council has statutory duties in relation to preventing homelessness and providing temporary accommodation to residents in need that meet eligibility criteria. Homelessness is when an individual has no accommodation available for occupation, in the United Kingdom or elsewhere in the world. The council aims to intervene early in cases of potential homelessness to enable families / households to retain their accommodation, or take another housing option, that prevents them from having to present to the local authority as homeless.
- 6.18 Homelessness can often be seen as having its roots in the inadequate supply of affordable housing. However, it also reflects broader issues, where people face

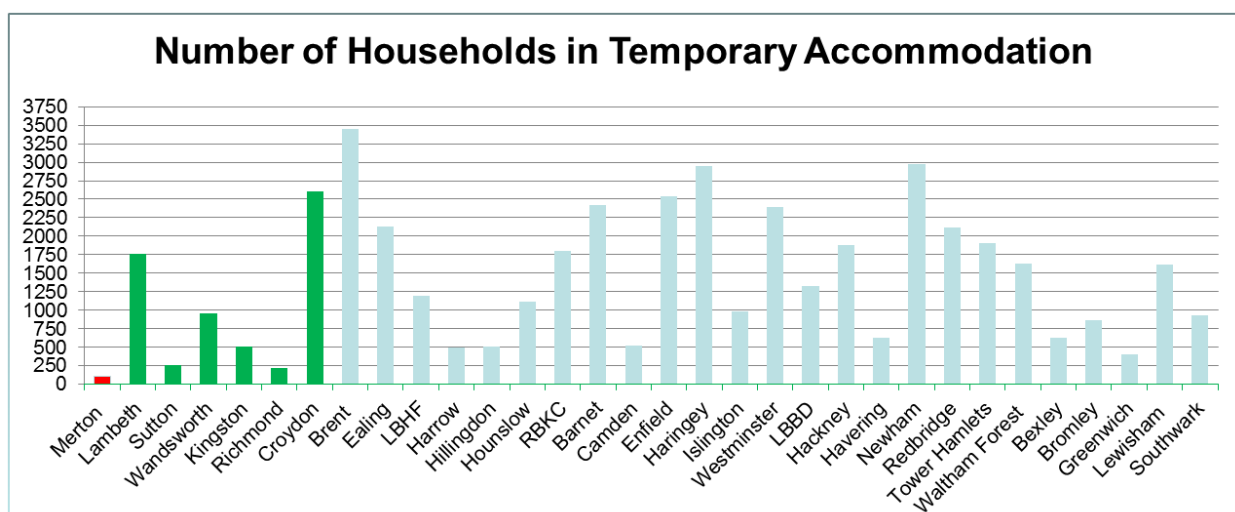
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complex social and financial problems that make it difficult for them to sustain tenancies or property ownership.

- 6.19 Merton's approach to homelessness places an emphasis on prevention and the council has adopted a wide range of preventative strategies to avoid households becoming homeless. The Council aims to prevent or delay homelessness through housing advice and assessment through the Housing Register.
- 6.20 Prevention work undertaken by the council includes:
- Advice, including money matters;
 - Offering other accommodation options - especially private sector;
 - Prevention fund used on a "spend to save" basis;
 - Resolving tenancy issues;
 - Mediation between landlord and tenant; and
 - Mediation in family disputes
- 6.21 Residents at risk of homelessness that meet the criteria above are placed in temporary accommodation. For information, additional eligibility criteria are listed in Appendix 3. Merton has a range of temporary accommodation that is offered by independent providers that receive payment directly from Merton Council for housing residents on their housing register. These providers include Hall Place, YMCA, Women's refuges, the private rented sector and single homeless projects. Members heard that these independent providers also supply other councils and accept residents from other boroughs. This has an impact on the places available to Merton residents in need and also on the council's resources.
- 6.22 Members were concerned about providing accommodation for families due to a lack of available affordable or social housing of sufficient size. This can result in families being placed out of borough. Members acknowledged that there are resource implications for the council in seeking to place residents in temporary accommodation, however, for the individuals and families that receive this service it minimises the negative impact on their health and wellbeing and prevents homelessness. At present, 82 residents are placed outside the borough in temporary accommodation and 63 residents are placed within Merton.
- 6.23 There has been concern at a national level that homeless households in temporary accommodation, particularly those with children, are not able to establish themselves to attain a reasonable quality of life. Members also expressed concerns about uprooting families from their communities when placing them out of borough in temporary accommodation, which has an impact on their wellbeing, access to work, continuity in attending school and difficulty in accessing GP appointments in the borough in which they are placed, amongst other effects which cause considerable disruption and upset to residents.

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- 6.24 To achieve this, households need to receive support to ensure that their health, education and social services needs are met. This is particularly the case where the authority place a household out of borough and the support network is more difficult to maintain. Effective working relationships need to be in place with health, education and social services.
- 6.25 The Task Group were pleased to hear that Merton has systems in place to notify partner agencies of placements in temporary accommodation within the borough. This also applies to households placed by other boroughs within Merton, and also all Merton residents who are placed in temporary accommodation within the borough.
- 6.26 Merton has the lowest number of households in Temporary Accommodation in the South West region, as detailed below:



- 6.27 The gross cost of providing Temporary Accommodation in 2014/15 was £2,011,293. The Council received £1,680,412 in housing benefit payments and £151,631 in client contributions.
- 6.28 The Task Group expressed concern regarding the additional cost to the council of providing temporary accommodation through commissioning independent providers. Members were keen to explore the options for providing this service in house, at a reduced cost, to ensure priority for Merton residents. Officers also informed the task group that changes to the provision of services may impact the priority currently afforded to the council and Merton residents, by independent providers, when allocating places. The Task Group felt that there was merit in reviewing the cost of delivery of an in-house temporary accommodation service to meet housing need and to minimise displacing families by having to place them in accommodation outside of the borough, away from their support networks, jobs and schools.

Recommendation 2 - That Cabinet explore the opportunities for providing temporary accommodation in house. This should include a review of both housing need and disruption to residents placed out of borough, as well as the potential financial benefits to the Local Authority. This should also enable the council to meet requirements regarding tenure, in particular for larger units for families.

7. Welfare Reform and the Impact on Housing Need

- 7.1 Merton has approximately 13,085 housing benefit claimants within the social (7,450), private (5,555) and Temporary Accommodation (80) sectors. This is at a cost to the council of £1.75 million per week. It is estimated that in the year 2014/15 the council will pay £95 million in housing benefit and accommodation costs.

Housing Benefit Cap

- 7.2 Housing benefit helps pay for rent for people who rent their homes or who part-rent through shared ownership. Tenants must be on a low income or claiming benefits to receive Housing Benefit. If you live in social housing and receive income support or jobseeker's allowance, your housing benefit usually covers the rent, unless the spare room subsidy or the benefit cap applies.³²
- 7.3 The coalition Government sought to reform the welfare system and housing benefit by increasing incentives to encourage people on benefits to start paid work or increase their hours, aiming to make the benefit system fairer and more affordable, reducing poverty, worklessness and welfare dependency.³³
- 7.4 The Benefit Cap, introduced in 2013, set a limit on the total amount in benefits that most working-age people are able to claim. The total amount you can currently claim in benefits is £500 per week for single parents and couples with children, and £350 per week for single people. The Benefit Cap applies to the benefits received as a household. This means that all benefits received by the household are included. The Welfare Reform and Work Bill (2015) will amend the amount that can be claimed to £23,000 a year for families in London.³⁴ On July 8 2015 the government announced that the total amount a household will be able to claim in benefits is £442 a week in London and £385 a week outside London. This will include Housing Benefit to pay rent. These changes will take effect from April 2016.

³²http://england.shelter.org.uk/get_advice/housing_benefit_and_local_housing_allowance/what_is_housing_benefit/understanding_housing_benefit

³³ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/2010-to-2015-government-policy-welfare-reform>

³⁴ Shelter (August 2015): *The Impact of Reducing the Benefit Cap*

Appendix 1

- 7.5 Members expressed concern about the impact of the Benefit Cap on low income families and their ability to afford their home.³⁵ The DWP have estimated that as many as 90,000 additional households across the UK are subject to the new benefits cap³⁶ and that households will, on average, be £1,144 per year worse off in London.³⁷ More startling is that the Greater London Authority has estimated that up to 9,000 households may have to move out of London when the caps are introduced.³⁸
- 7.6 A briefing by Shelter highlighted the necessity of preparing for the shortfall between rents and incomes for the 1.4 million people receiving LHA across the UK, and impact on the ability of residents to find affordable housing. An increasing risk of homelessness, which is a potential result of the Benefit Cap, will also make it very hard for Local Authorities to find affordable housing to rehouse families.

Universal Credit

- 7.7 Universal Credit is a new single payment for people who are looking for work or on a low income. It replaces a number of other benefits, including Housing Benefit. Universal Credit aims to help meet the costs of household rent or mortgage interest. This covers working age tenants renting in the social sector and brings them in line with those renting in the private rented sector. Housing costs within Universal Credit are paid directly to individuals in the social rented sector, rather than the current system of payments direct to landlords. The Government aims to encourage people to manage their own budget in the same way as other households with this reform.³⁹

Spare Room Subsidy

- 7.8 From April 2013 all working age tenants renting from a local authority, housing association, or other registered social landlord, no longer receive help towards the costs of a spare room. They receive help towards their housing costs based on the need of their household, making the rules consistent with those that apply to tenants renting in the private rented sector.

Discretionary Housing Payments

³⁵ Shelter (August 2015): *The Impact of Reducing the Benefit Cap*

³⁶ Shelter (July 2015): *Parliamentary Briefing – Welfare Reform and Work Bill*

³⁷ Shelter (July 2015): *Parliamentary Briefing – Welfare Reform and Work Bill*

³⁸ <http://www.housing.org.uk/policy/welfare-reform/benefit-cap/>

³⁹ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/2010-to-2015-government-policy-welfare-reform#appendix-3-making-sure-housing-support-is-fair-and-affordable>

Appendix 1

- 7.9 The Government allocated £65m in 2013-14 and £35m in 2014-15 to the Discretionary Housing Payments (DHPs) budget to help families affected by the benefit cap.⁴⁰ Councils get an annual pot of money to help people who claim housing benefit who are struggling with housing costs.⁴¹ In addition, in the Welfare Reform and Work Bill, the Government has pledged to provide additional DHP to those struggling and Targeted Affordability Funding to raise LHA rates where rent increases are unusually high.⁴²

Welfare Reform and Work Bill (2015)

- 7.10 In the summer Budget 2015, the government announced that, to achieve the surplus in 2019-2020, £37 billion of further consolidation measures would need to be undertaken, including £12 billion from welfare reform. The Welfare Reform and Work Bill (2015) seeks to alter the support available to people facing homelessness or in poor housing.⁴³ Delivering on the government's commitment to save £12 billion from the working-age welfare budget by 2019-20, it will freeze working-age benefits and Local Housing Allowances for 4 years, reduce rents in social housing by 1% a year for 4 years, reduce the benefit cap, and reform tax credits and Universal Credit with support focused on those with lower incomes⁴⁴. Some of the measures that will need to be carefully managed and planned for to ensure housing need can be met are as follows:

Reducing Social Rents

- 7.11 The Welfare Reform & Work Bill seeks to reduce social rents by 1% for four years, resulting in a 12 per cent reduction in average rents by 2020-21.⁴⁵ The measure is forecast to save £1.4bn by 2020-21, mostly in housing benefit expenditure. Some tenants will be required to pay market (or near market) rents if they earn £30,000 or more outside of London or £40,000 or more within London.⁴⁶ This is good news for those on low incomes in social housing, whose rent will be reduced. The policy will also mean large savings on the welfare budget for the Department of Work and Pensions. Shelter has warned against tackling housing costs in this way which may

⁴¹ http://england.shelter.org.uk/get_advice/housing_benefit_and_local_housing_allowance/changes_to_housing_benefit/discretionary_housing_payments

⁴² Shelter (July 2015): *Parliamentary Briefing – Welfare Reform and Work Bill*

⁴³ Shelter (July 2015): *Parliamentary Briefing – Welfare Reform and Work Bill*

⁴⁴ <https://www.gov.uk/government/publications/summer-budget-2015/summer-budget-2015>

⁴⁵ LGIU Policy Briefing (2015): *The Welfare Reform and Work Bill: Welfare Reform Update*

⁴⁶ LGIU Policy Briefing (2015): *The Welfare Reform and Work Bill: Welfare Reform Update*

undermine the viability of house building itself. Many housing associations and local authorities use social rent revenues to fund the building of more homes. The Office for Budget Responsibility estimates the reduction in social rents could result in 14,000 fewer homes being built, whilst the National Housing Federation estimates the loss to be as much as 27,000.⁴⁷

Pay to Stay

- 7.12 Following on from a commitment made in ‘Laying the foundations, a housing strategy for England’, to tackle the problem of households earning high incomes who continue to occupy subsidized housing, this Government proposes to introduce a ‘Pay to Stay’ scheme to enable landlords to charge a fair rent to tenants on high incomes who want to stay in their social homes.⁴⁸ Within this, families earning over £40,000 per year will be expected to pay an additional fee to stay in their current homes.

Recommendation 3 - That a report is presented to the Sustainable Communities Scrutiny Panel in anticipation of the proposed Pay to Stay policy on how residents might be incentivised to move on to alternative forms of affordable housing, freeing up much needed social housing.

Implications for Merton

- 7.13 The Task Group heard from officers that welfare reform has impacted the need for housing and support to enable families and single people to remain in their homes, particularly within the social housing sector. The Benefit Cap introduced in 2013 affected 105 residents in Merton at a total value of £6,675 per week, equal to £347,100 per year. In addition, under occupation in social sector housing resulted in 647 cases restricted at a total value of £13,740 per week, equal to £714,480 per year. Discretionary Housing Payments (DHP) grant from central Government is also being reduced from £645,000 to £431,000 in 2016. The Government will provide £800 million of funding to local authorities for DHP over the next 5 years.
- 7.14 Further welfare reform has also resulted in a localised council tax benefit scheme with a 10% funding reduction for council tax benefit. To date, Merton has absorbed funding reduction and implemented a default scheme for 2013/14 and 2014/15, and will do so again in 2015/16, in order to maintain low council tax charges for those on lower incomes and other vulnerable residents.
- 7.15 Universal Credit equally involves a single payment to residents that will cover state benefits and housing costs. The benefits received for housing costs are paid directly to claimants that are then responsible for ensuring landlords receive payment. If

⁴⁷ Shelter (July 2015): *Parliamentary Briefing – Welfare Reform and Work Bill*

⁴⁸ <https://www.gov.uk/government/consultations/high-income-social-tenants-pay-to-stay>

Appendix 1

payment is not received this has an impact on council services to manage demand resulting from evicted tenants.

- 7.16 Merton maintains an overview of these and other policy and legislative developments and anticipates impact and future need through the Welfare Reform Resilience Group, chaired by the Director of Community and Housing.

8. Planning Policy and Housing Development

- 8.1 Housing Development in Merton is currently guided by the following regional and local planning policies:

Appendix 1

The **National Planning Policy Framework 2012 (NPPF)** sets out government's policy on planning matters in England and Wales.

The **Mayor's London Plan 2011** containing planning policies that guide all London boroughs on issues for the benefit of the whole of London, such as the number of new homes to be built in London. All other planning documents have to be in general conformity with the Mayor's London Plan.

Merton's Core Planning Strategy (July 2011) sets the overall framework for regeneration and development in Merton.

The **Sites and Policies Plan** and **Policies Map** contains detailed planning policies which guide planning applications for development in Merton, implementing the more strategic principles set out in Merton's Core Planning Strategy 2011 and The London Plan 2011. It details sites for allocation for new uses.

- 8.2 When considering development proposals, the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework. It will always work proactively with applicants to find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area.
- 8.3 Merton Council aims to enable development that creates socially mixed communities, providing a choice of housing with respect to dwelling size and type in the borough, in particular, for families with children, single person households and older people.
- 8.4 As this report demonstrates, there is an overwhelming need in London and in Merton for all types and sizes of new homes, which must be balanced against the need for supporting infrastructure. Assessment of historical provision in the borough indicates a disproportionately greater delivery of smaller homes compared to larger homes. 84% of dwellings completed in the borough between April 2000 and March 2011 consisted of 1 or 2 bedroom units.
- 8.5 Despite the council's efforts to enable housing development, it is recognised that the council will not be able to meet all housing needs in the borough. In assessing development proposals the council will take account of Merton's Housing Strategy (2011-2015) and borough level indicative proportions (which are set out as follows:

| Number of bedrooms | Percentage of units |
|--------------------|---------------------|
| One | 33% |
| Two | 32% |
| Three + | 35% |

- 8.6 The borough level indicative proportions concerning housing mix have regard to relevant factors including individual site circumstances, site location, identified local needs, and economics of provision, such as financial viability and other planning contributions.

Financial Viability and Affordable Housing Development

- 8.7 Where a developer considers a site unsuitable to apply the borough level indicative housing mix set out above, the developer will be responsible for demonstrating why this is the case through a viability assessment. The Growth and Infrastructure Act 2013 amended the Section 106 regime to allow developers to challenge affordable housing obligations on viability grounds.⁴⁹ The new Section 106BA gives developers a right to ask councils to review housing obligations and Section 106BC gives developers a right to appeal against review outcomes.⁵⁰
- 8.8 A viable affordable housing provision should deliver the maximum level of affordable housing consistent with viability and the optimum mix of provision.⁵¹ The test for viability is evidence that the current cost of building out the entire site (at today's prices) is at a level that would enable the developer to sell all the market units on the site (in today's market) and make a competitive return. The developer therefore needs to demonstrate to the planning authority, and to the Planning Inspectorate on appeal, that the affordable housing obligation as currently agreed makes the scheme unviable in current market conditions.⁵² Where a scheme is judged not to be economically viable, the planning authority must modify affordable housing obligations so that it becomes so.⁵³
- 8.9 Members considered a recent article in the Guardian which outlined the use of right to review powers by Southwark and Greenwich councils on the level of affordable housing in large scale developments within their boroughs. The article claimed that a crucial failure of the current system is that developers' viability assessments are regularly hidden from Elected Members and

⁴⁹ <http://www.planninglawblog.com/category/viability>

⁵⁰ <http://www.planninglawblog.com/category/viability>

⁵¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192641/Section_106_affordable_housing_requirements_-_Review_and_appeal.pdf

⁵² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192641/Section_106_affordable_housing_requirements_-_Review_and_appeal.pdf

⁵³ <http://www.planninglawblog.com/category/viability>

protected from public scrutiny on the grounds of “commercial confidentiality”.⁵⁴ Furthermore, viability assessments have gained increasing weight since the National Planning Policy Framework (NPPF) introduced a clause in 2012 stating that plans “should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened”.⁵⁵

- 8.10 The Article goes on to argue that viability assessments often fail to consider the best use of land (mix of uses, massing, density, social mix) but focus instead on finance, with developers in a position to fund housing development and invest elsewhere should councils present a significant challenge to the levels of affordable housing they claim are able to be delivered.⁵⁶
- 8.11 Greenwich Council however, has responded to such issues by introducing a policy to ensure disclosure of viability assessments to residents to ensure transparency, requiring disclosure of pricing, profit, assumptions, sales and forecasts.⁵⁷ The Task Group acknowledged this as a step towards challenging developers and to securing a greater percentage of affordable housing from any development. They felt that Councillors on the Planning Applications Committee should be able to review viability assessments when affordable housing targets are not being met.
- 8.12 Members also recognised the complex data captured within the assessments and were pleased to hear that resources are allocated to commission external viability expertise by the council to ensure appropriate challenge to developers. Officers use the Three Dragons Toolkit when reviewing viability assessments, as recommended by the GLA.

Recommendation 4 - The Cabinet undertake a review into the effectiveness of viability assessments and make recommendations on challenging developers to enable the provision of more affordable housing.

Recommendation 5 - That Cabinet agree to consider whether viability assessments can be made available for review to Councillors on the Planning Application Committee.

⁵⁴ http://www.theguardian.com/cities/2015/jun/25/london-developers-viability-planning-affordable-social-housing-regeneration-oliver-wainwright?CMP=fb_gu

⁵⁵ http://www.theguardian.com/cities/2015/jun/25/london-developers-viability-planning-affordable-social-housing-regeneration-oliver-wainwright?CMP=fb_gu

⁵⁶ http://www.theguardian.com/cities/2015/jun/25/london-developers-viability-planning-affordable-social-housing-regeneration-oliver-wainwright?CMP=fb_gu

⁵⁷ <http://www.planninglawblog.com/category/viability>

Recommendation 6 - That the planning department proactively considers using their right to review powers on developments that don't meet the 40% affordable housing target.

Recommendation 7 - That the Council encourages developers to engage with Registered Providers, at an earlier stage in the planning process, on the development of affordable housing.

Council Assets and use of council land

- 8.13 Members were keen to explore existing sites in the borough that might be used for the provision of affordable housing, highlighting sites within their own wards that are both privately and publicly owned. Whilst the Task Group acknowledged that Merton has a number of sites (some council owned) that could be developed, they are small sites and may not yield the number of units required to meet housing need in its entirety, even if they were all built upon.

Recommendation 8 - That Cabinet consult with councillors and community groups on potential sites and land that present opportunities for the development of affordable housing.

- 8.14 Members however, sought legal advice from the council to determine its freedoms the council had to agree the disposal, lease or gifting of land to housing associations for the purpose of building more affordable housing on these smaller sites. Members recognised housing associations as a potential partner to build upon these sites, particularly as funding is more accessible to them, and will enable development more quickly and potential sites to be managed once built.

Releasing council land - Best Consideration Reasonably Obtainable (BCRO)

- 8.15 The Task Group learned that the council must act in accordance with legislation relating to the appropriate disposal of land and sites. For disposal of land, unless there is a specific authority/power under another statute, the requirement is to obtain 'best consideration reasonably obtainable' (BCRO) which can be satisfied even if the land sale price is £nil.
- 8.16 If it can be demonstrated that the Council is obtaining compensation that is equivalent to or better than the land value then the sale may be considered. For example, should we gift or lease land to a Housing Association, we would expect nomination rights to be granted, however, these would need to be for a minimum period and the council would need to ensure that it was achieving something better than it would achieve ordinarily through the planning process.

- 8.17 The council would also need to try and protect any forced sale of individual properties through Right to buy, particularly as the Government is looking to extend this right to Housing Association property, as this would reduce the council's power to nominate.
- 8.18 Furthermore, if the council cannot demonstrate BCRO, the Council has power to sell land at less than BCRO where it considers the disposal would help secure the promotion or improvement of the social, economic or environmental well-being of its area. Where applicable we should have regard to our community strategy. However, even if the sale satisfies well-being requirements, the under value cannot exceed £2m, without approval from the Secretary of State. If we cannot demonstrate the well-being and undervalue tests we would need to obtain the secretary of state's consent to disposal at less than BCRO. The Council must also avoid breaching any State Aid rules.
- 8.19 The Task Group discussed the feasibility of leasing or gifting council owned land to housing associations, maximising use of its assets and facilitating the development of much needed affordable housing for residents. The Task Group recognised that more work would need to be undertaken to explore the opportunities to use council land in this way. Therefore, the Task Group were keen to recommend that Future Merton produce a report to the Sustainable Communities Scrutiny Panel outlining the ability of the Council to provide Registered Providers with small to medium underused sites in the Council's portfolio for nil return, with a particular focus on reviewing and identifying potential sites and the procurement process that would be involved in such a proposal. It is hoped that if this model is workable and that, should it be considered feasible, Registered Providers would be expected to develop purely affordable housing (which would comprise a mix of Social, Affordable Rent and Shared Ownership) on these sites, giving Merton Council full nomination rights.

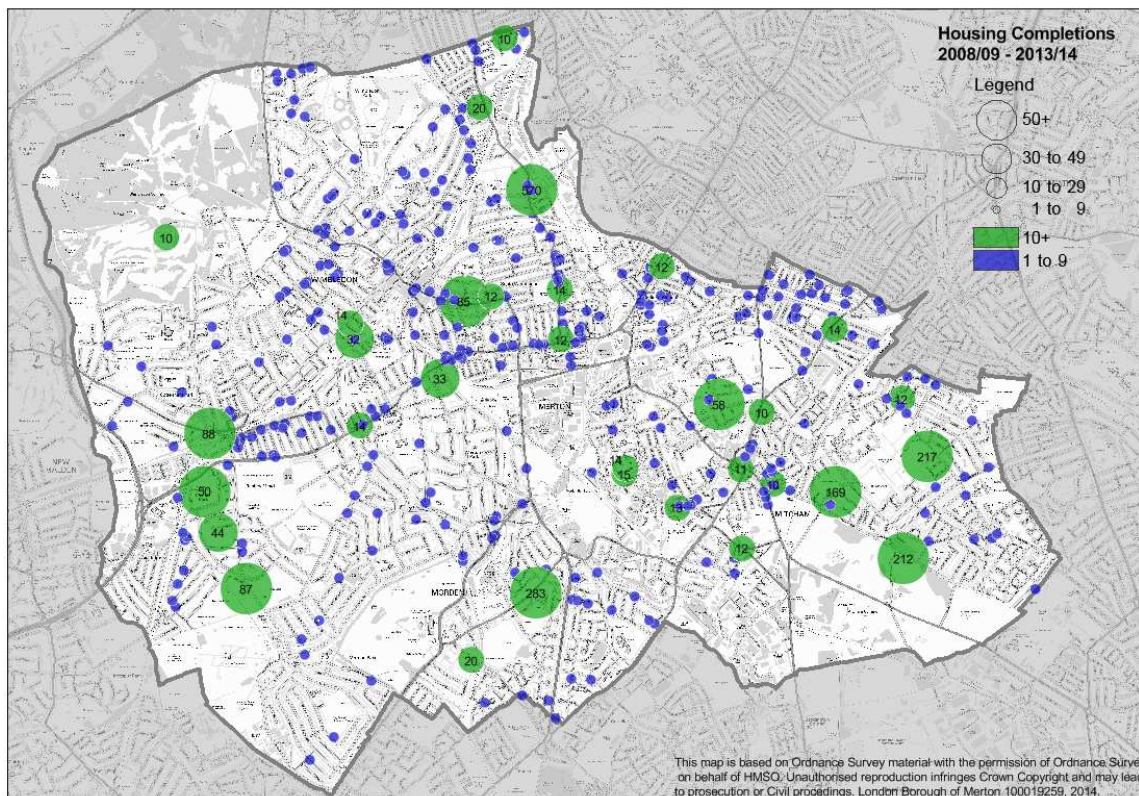
Recommendation 9 - That the Cabinet consider opportunities for gifting small to medium pockets of land in council ownership to Housing Associations in order to stimulate the creation of more affordable housing to meet demand. In doing so, Cabinet should submit a report to the Sustainable Communities Scrutiny Panel for review on the business case and council's ability to gift land and on what might be proposed to housing associations within this. As part of any agreement with Housing Associations on the use of council land/sites, the Council should receive full nomination rights to all properties developed.

9. Housing Development in Merton

- 9.1 The types of Affordable Housing delivered in Merton are social and affordable rent; intermediate housing; and shared ownership. These housing models are delivered through partnership working. The council currently work with 9

preferred Registered Providers (RPs) with a strong development, housing management and financial viability track record. Merton also works with specialist RPs and the Dept. of Health to provide homes for people with learning disabilities, mental ill health and older people.

- 9.2 Merton liaise with land agents on potential sites for affordable housing and advise on policy, work closely with independent organisations that verify applicants' financial appraisal of scheme submissions to determine the size and tenure of affordable units to be delivered on site, and alongside Merton Housing Association Group (MerHAG), which considers housing strategic and operational matters and shares best practice. MerHAG meets twice a year and one on one meetings are held between the Housing Supply and Development Manager and Future Merton team with individual Housing Associations.
- 9.3 Affordable housing is negotiated on a site by site basis taking into consideration housing strategy and planning policy, considering tenure mix, size of development, site constraints, infrastructure and financial viability.
- 9.4 There are approximately 86,000 homes in Merton. 5,332 new homes have been built in the last 10 years. Merton's housing target between 2011 and 2026 (Core Strategy 2011-2026) is 5,801 new homes. The Map below shows new homes by size of site built from 2007-2014. Green dots cover units of 10 or more and blue dots cover developments of less than 10 units.



- 9.5 In the last five years Merton have delivered 888 additional affordable homes with a total of 15,000 affordable homes in Merton: just under half of which are managed by Circle Housing Merton Priory who took over the council's housing stock in 2010. The other proportion (55%) is managed by other RPs such as Notting Hill, Ability, L&Q, Moat, Wandle Housing, and Genesis etc. The GLA have a key role in providing and managing affordable homes: they provide funding and dictate how many households on the council's waiting lists have access to these homes.
- 9.6 The total homes built between 2008 and 2014 are 2,840. 888 of these homes were affordable and 1952 were market homes. The affordable homes completions between 2008 and 2014 are as outlined below:

| Affordable Homes: Completions 2008-2014 | | | |
|---|-------------------|-----------------------------|---------------------------------|
| Financial Year | Total Completions | Affordable Home Completions | Percentage of total completions |
| 2008/09 | 774 | 265 | 34% |
| 2009/10 | 338 | 45 | 13% |
| 2010/11 | 357 | 112 | 31% |
| 2011/12 | 453 | 162 | 36% |
| 2012/13 | 478 | 141 | 29% |
| 2013/14 | 440 | 163 | 37% |
| Total | 2840 | 888 | 31% |

- 9.7 Merton Council has allocated 42 sites within its land portfolio for housing development, as outlined in Merton's Sites and Policies Plan (2014). Allocating a site in the *Sites and Policies Plan* gives greater certainty that the council will support a particular land use on that site when the owner / investor seeks planning permission. It does not guarantee that the council will grant planning permission. While the council's plan has to prove that the site can be built for its intended use (usually by seeking certainty from the landowner that this is what they want to do), it will be the landowner's decision as to exactly when that happens and they can promote or advertise the site as they choose.
- 9.8 Almost all of the sites agreed/identified are allocated wholly or partly for residential use, with two thirds of these sites being privately owned. For the

next 8 years there is an approved programme for 411 new homes per year based on sites that are known or in the planning system. A robust five-year supply has been identified, providing more than 2,800 new homes up to 2020.

- 9.9 The council is also working closely with CHMP to ensure more affordable housing is developed as part of its regeneration programme across its three estates: Eastfields, High Path and Ravensbury, which will ensure the construction of 2,400 new homes over a 12 year period.
- 9.10 The Task Group heard that there are challenges in identifying land and large sites for housing development to increase the percentage of affordable housing generated from each development. Merton has a lot of green space and primarily suburban neighbourhoods with Victorian, Edwardian and 1930s properties. This means that Merton is not a large borough and most planning applications are for less than 10 homes per site. Any developments are nearly always small in number. This often makes the option of developing in Merton less viable for some HA's and private developers
- 9.11 The Task Group also considered the lack of development of affordable housing due to land banking and developers stalling sites. When they met with representatives from the GLA, they explained to the task group that whilst some sites are stalled, there is merit in understand the barriers to housing development in London from the perspective of the development industry itself. They argued that superficially, planning permission exists for 210,000 new homes in London – roughly seven years' housing supply using GLA housing delivery targets. However, schemes are rarely built at a rate of more than 250 homes every three years.
- 9.12 The Task Group was informed that the debate on the availability of land for housing development in London has been done a great disservice by dwelling on numbers such as 210,000. In fact the 'realistic' planning pipeline is likely to be somewhere between 50,000 and 70,000 homes during the next three years. Furthermore, 45% of permitted homes are in the control of firms that are not builders – firms such as owner-occupiers, investment funds, historic landowners, government and 'developers' who do not build. Builders control the other 55% of the pipeline, which presents arguments regarding land banking in a different light.
- 9.13 Members also heard that debt to help fund development is hard to obtain and is costly and often easier to obtain in Central London than in Outer London. Developers also express frustration with the speed of the planning process. The

GLA noted that typically, planning approvals are given for roughly double the actual number of homes built.⁵⁸

9.13 Members also considered other challenges for the future for the development of affordable housing in Merton, alongside challenging viability. For Merton these are:

- Identifying appropriate sites and on the scale that they require affordable house building to take place;
- Encouraging site owners and developers to bring forward more sites /void properties;
- New funding sources also need to be found;
- More innovative construction methods (for example, Y Cube and Pocket) need to be explored to determine how they might better meet housing need;
- Developing expertise internally to start house building;
- Addressing skills and knowledge gap in councils to deliver housing; and
- Housing association appetite to deliver more affordable housing

10. Relationship with Housing Associations

10.1 Merton Council has an established relationship with CHMP, as one of the primary stock holding housing association providing social housing in the borough, further to the large scale voluntary sector transfer of Merton's stock to CHMP in 2010. The Council has nomination rights to these and other Registered Providers vacant homes, with 75% to true voids for the majority of partners and 100% to Circle Housing Merton Priory.

10.2 According to the National Housing Federation, Housing associations (HA) manage two and a half million homes for more than five million people in England and 1 in 10 people in London live in a housing association property. Between 2011 and 2015, over 170,000 new affordable homes were built by HA's, generating almost £18.4 billion in the economy and supporting the development of over 390,000 jobs⁵⁹.

10.3 Nationally, there is a predicted shortfall of 2.5 million homes by 2030. Housing associations are working hard to tackle the housing crisis, with an ambition to add another 2.5 million homes to the supply by 2033. But this is significantly constrained by the availability and affordability of suitable land⁶⁰.

⁵⁸ GLA, *Barriers to Housing Delivery Update: Private sector housing development on larger sites in London* (2014)

⁵⁹ Presentation – Patrick Vernon (National Housing Federation): Mixed use sites and NHS Surplus Land

⁶⁰ Presentation – Patrick Vernon (National Housing Federation): Mixed use sites and NHS Surplus Land

10.4 In Merton the following Housing Associations are in operation (including volume of social rented units):

| Registered Provider | Number of Rented units |
|-----------------------------------|------------------------|
| Circle Housing Merton Priory | 6126 |
| Wandle | 1058 |
| Moat | 885 |
| L&Q | 812 |
| Amicus Horizon | 299 |
| Family Mosaic | 262 |
| Notting Hill | 249 |
| Thames Valley Housing Association | 171 |
| Riverside Group | 104 |

Stakeholder Forum

10.5 Members held a stakeholder forum with Housing Associations and Registered Providers across London to establish appetite and capacity for the development of affordable housing in Merton (attendees are listed in Appendix 1 of this report). Members were pleased to hear that a number of the Housing Associations in attendance had developed within Merton and had delivered, or were in the process of building, mixed tenure housing ranging from 40 units to 9000 units.

10.6 The Task Group sought the views of Housing Associations (HA) to determine how the council might better enable housing development within the borough. It was suggested that:

- The local authority incentivise HA's to develop housing when land is available and identified;
- The council ensures a clear commitment to the delivery of affordable housing and how it will meet its 40% target within its Housing Strategy and Planning Policy;
- The council should be more proactive in giving planning permission to housing developments;

- The council is more flexible in its planning policy and ensures that it is developed in the direction of the provision of more affordable housing;
- The council be more approachable as a planning authority and allow an informal dialogue with HA's and developers before formal pre application processes and charges take effect;
- That there is greater collaboration and dialogue between HA's and the council;
- That the council support HA's by using any powers they have to encourage landowners in the borough to talk to them

10.7 The Task Group noted that registered providers are consulted on and have contributed to Merton's Sites and Policies Plan and that there is dedicated officer resource to engage with HA'S within the Housing Needs and Enabling Service. The council also established MerHAG, a forum which enables on-going dialogue with registered providers from across London. The body needs to elect a new Chair. It also meets twice a year which Members expressed concerns about, arguing that this Forum did not meet regularly enough to enable a proactive and positive dialogue with RP's. Furthermore, the Forum's Terms of Reference may also need to be updated and revised to meet the needs of the Council and the RP' that it currently works with.

Recommendation 10 – That the Cabinet agree to consult with Registered Providers in revising the terms of reference of the MerHAG Group, to enable a more regular forum for proactive engagement with Housing Associations and Registered Providers on the opportunities for, and barriers to, the development of affordable housing in Merton.

Recommendation 11 – That the Council effectively communicates its sites and plans policy to Registered Providers.

11. Funding Housing Development

Greater London Authority

- 11.1 The Task Group met with the GLA to discuss the funding mechanisms for the delivery of affordable housing. The GLA has a budget of £1.8 billion, in 2015/16 for housing development, with £1 billion allocated for affordable housing. A number of programmes have been established to award this grant to councils to deliver on affordable housing targets as part of the Affordable Housing Programme and the Mayors Housing Covenant.
- 11.2 One of the schemes within this is the Housing Zones Prospectus, for which Morden has been selected. Housing Zones are being funded by the GLA who have a £400 million budget, to accelerate housing delivery in areas with high development potential. The Housing Zones Prospectus invited bids from London boroughs to a £400 million programme, jointly funded by the Mayor

and national government, to create 20 housing zones across London, delivering 50,000 new homes and over 100,000 associated jobs over the next ten years. Delivery in these areas will be supported by a menu of planning and financial measures. All Housing Zones will be underpinned by a shared delivery framework to hold partners accountable for the numbers of homes delivered.

- 11.3 Half of the £400 million budget has been awarded to housing associations to areas that can deliver at least 1000 homes. The GLA has announced its first 9 zones and will reach 20 zones shortly. Affordable housing targets in these housing zones have yet to be set but upfront costs paid by GLA will be provided as a recoverable grant, which is not subject to interest or fees. Merton is engaging with the GLA and TfL to develop Morden as Housing Zone and estimate that 1000 homes in Morden could be built.
- 11.4 In addition, the GLA's London Housing Bank scheme provides cheap loan funding for homes at intermediate rent. This scheme is aimed at working people to enable them to save for a deposit for up to 15 years. These homes could then be sold or converted into affordable housing. The fund can fund up to 30% of development costs at 1% interest and £50 million has been allocated to date, with £200 million available in total for the programme. The Estate Regeneration Loan Fund is also available and provides slightly better rates than commercial lenders for developments that will be jointly delivered with a private sector partner. This fund helps to support the significant cost of regeneration and again provides upfront costs. This fund can also be used to accelerate or unblock development, increasing the viability of sites to developers.
- 11.5 As noted by the GLA, the challenge is not in the lack of available funding but in finding schemes and sites big enough to accelerate the build of housing. This is where council's role as an enabler of housing development is central.

Government funding and public sector loans

- 11.6 Councils are also able to utilise General Fund and Housing Revenue Account funding to establish the capital required for development. External sources also include institutional funds such as the Public Works Loan Board, or pension funds and other corporate loans and investment sources. Affordable housing contributions through section 106 agreements also provide a funding source for development.

Registered Providers

- 11.7 The main funder of development in the borough has been the GLA (with over £20m awarded since 2003) and other sources such as the council's s106 commuted sums fund for affordable housing (which has delivered 107 homes on 6 sites since 2007 in Merton). Merton is also reliant on RPs to deliver and

fund affordable housing developments. RPs are in a better position to fund development as they can borrow against their stock to fund developments, using recycled grant from shared ownership sales to cross subsidise schemes, and by reinvesting property disposals proceeds.

Section 106 affordable housing contributions

- 11.8 As part of the planning process, owners or developers provide or fund the provision of infrastructure, services or other impact mitigation measures on or off the development site through Section 106 affordable housing contributions, which are determined by development. Section 106 contributions can only be allocated to new build housing.
- 11.9 An application may be made to the local planning authority for a revised affordable housing obligation. This application should contain a revised affordable housing proposal, based on prevailing viability, and should be supported by relevant viability evidence. The local planning authority may prepare its own viability evidence or provide commentary on the evidence submitted in support of the application⁶¹.

12. Local Authorities as Enablers of Housing Development

Elphicke-House Report

- 12.1 The Elphicke -House Report (2015), as an independent review into the role that councils can play in supporting housing supply, contained recommendations to move councils from statutory provider to housing delivery enabler. It recommends that local authorities play a central role in supporting the provision of new homes, across all housing tenures, being more active in creating housing opportunities, using their own assets, and working closely with partners⁶².
- 12.2 One of the review's key recommendations is that a new independent organisation is established to bring together local government and the finance sectors to unlock opportunities, boost skills, and support increased capacity for new development. This Housing Finance Institute will be funded privately and address the skills and knowledge gap in delivering local authority housing. This will enable the provision of dedicated support in areas such as setting up and managing public private sector joint ventures or developing capacity and skills in areas such as land assembly or developing investment vehicles.

⁶¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192641/Section_106_affordable_housing_requirements_-_Review_and_appeal.pdf

⁶²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398829/150126_LA_Housing_Review_Report_FINAL.pdf

- 12.3 The Task Group utilised this report in developing their recommendations and also reflected upon research commissioned by the GLA that looked at the skills and capacity required by councils in this role. They noted that councils need to further develop their skills and expertise in planning, commissioning and assessing the viability of developments.⁶³ Councils also have the potential to facilitate partnerships and to create conditions for new developments through joint ventures with private partners, the establishment of wholly owned companies, and by developing special purpose vehicles (such as the Housing development company model which is discussed in section 12 of this report).⁶⁴ This is particularly important given that the council is a non stock owning authority and therefore requires alternative models of delivery to meet housing need, working with RP's and partners.

Good Practice

- 12.4 Members met with other Local Authorities identified as being exemplars of good practice in enabling and increasing the supply of affordable housing. Members were particularly interested in innovative models to deliver and finance affordable housing development.

Barking and Dagenham Council – Estate Renewal

- 12.5 Barking and Dagenham are ranked as 10th in London of most affordable homes delivered. However, as a borough they are in a better position than most in terms of land availability.
- 12.6 Barking and Dagenham Council led an Estates Renewal Programme across the borough driven by the councils housing strategy objectives, Housing Asset Management Strategy, and wider regeneration objectives.
- 12.7 The councils housing register has 10,000 residents in need. The council's programme of housing delivery aims to deliver over 1200 new homes by 2016 with an affordable rent level of 65% - 80% of market value. Reduced, affordable rents are also offered to residents in work to support them to save for a deposit.
- 12.8 Funding estate renewal has been achieved through lending at lower interest rates to develop existing council assets; by accessing funding streams such as, fixed income bonds; pension fund; institutional funding; European Investment Bank (gap funding); Private equity funding, and public sources such as the Public Works Loan Board; GLA grant funding; the Councils General Fund; and HRA funding.

⁶³ GLA - ARK Housing Consultancy Report: *London's smaller housing associations and Local Authorities – Increasing Housing Supply*

⁶⁴ LGIU Briefing – *Councils and Housing Supply: A new LGIU Report* (July 2015)

12.9 As a result of the various initiatives led by the council, as a promoter and funder of housing development and estate renewal, Barking and Dagenham have delivered:

- 477 affordable housing units on two sites
- 311 terraced family houses with gardens
- 166 apartments spread over low density blocks and a 10 storey tower
- Driven by the councils specific requirements
- Schemes cater for families and young workers
- Efficient construction and delivery maximised affordability
- Built to Code Level 4 and designed to last over 125 years
- Systems emit fewer emissions, less waste and reduce water consumption
- Meet Mayoral size standard
- Have fostered a sense of community, environment and place.

12.10 Barking and Dagenham Council suggested that financial modelling be undertaken over the longer term, looking at alternative delivery models across different sites to ensure value for money.

12.11 The Task Group were particularly interested in the affordable rent programme and asked officers to consider approaching residents on the housing register or in social housing that are working to encourage them into more intermediate housing products to free up social housing for tenants that are out of work. Merton Council does not hold this data but officers explained that some vacant housing association properties are advertised on the choice based lettings system as 'working plus' properties. In order to qualify for these properties, applicant must be in paid work for 16 hours or more per week and/or in voluntary work within the borough for 16 or more hours per week, for the last 12 months.

Richmond Council –delivering affordable housing without a Housing Revenue Account

12.12 The Task Group met with Richmond Council to establish how an authority without housing stock was able to meet housing need, in particular the need for affordable housing. The Task Group learned that owner occupation is the dominant tenure in Richmond with the fourth smallest social housing sector in Greater London.

12.13 Richmond is experiencing similar problems to Merton with an increase in homeless households accepted by the council, due in part, to landlord behaviour and eviction from the private rented sector. Richmond has the highest house prices in outer London, making affordability key issue-affecting residents.

12.14 Richmond Council is experiencing similar barriers to the provision of more affordable housing, which are:

- Land availability for and high existing use values making it difficult for registered providers to compete with the private sector for sites;
- Overall land supply; and
- Many sites being small scale (providing under 10 units)

12.15 Richmond Council do not work to a specific target for affordable housing but use the annual indicative GLA target of 315 homes per annum as a benchmark. As part of its drive to deliver more affordable housing, working with Registered Providers, Richmond Council has ensured that 433 new affordable homes have been built (337 rented and 96 shared ownership). Extensions have also been made to 19 existing social housing homes and a further 20 will be extended by March 2016 to meet the need for larger, family housing. In addition, £9.9 million of Housing Capital Programme funding has been allocated to support affordable housing schemes, which will be completed during 2015.

12.16 The Housing Capital Programme is funded through S106 contributions, New Homes Bonus funding and prudential borrowing. Overall £8.2 million has been committed to development by the council from 2014 to 2019. These schemes, without council funding, would otherwise have been unviable. This work has been delivered by working with registered providers and incentivising, matching or contributing funding to ensure that stalled or potential sites can be developed.

12.17 Arrangements are also in place with the housing association that assets transferred that are sold by the HA are then developed on and retained for residents. Richmond advocated making funding available to HA's that wished to work closely with the Local Authority and encourage partnership working.

12.18 Members shared frustration about the length of time planning approval and other processes take that slow down housing development. Richmond council explained that they now delegate decisions to the Cabinet Member for Housing on any developments or programmes of work up to the value of £250,000. This helps to speed up the process and mitigates stalled developments.

12.19 Richmond have also sought to target those vacating social housing by identifying opportunities to enable those who are able to move on to do so through share ownership and other affordable rent models. Richmond recommended that the council work with developers and RP's to ensure than an advanced marketing strategy is in place to encourage these residents to vacate social housing earlier, when developments are approved, if they are able to do so. This also requires the council to capture demographic and income data from tenants to anticipate need and options for residents.

- 12.20 In addition, despite the challenges that small sites present, Richmond has been innovative in freeing up housing needed for families through sponsored moves, funded by the council, to encourage under occupiers to move to smaller accommodation, or new tailored developments, to meet the needs of families and downsizers by providing cash incentives. And also through its extensions programme to existing properties to meet need.

Recommendation 12 - That the Sustainable Communities Scrutiny Panel invites all Registered Providers in operation in the borough to a future meeting to gather information on their overcrowding strategies and to make any recommendations, as appropriate. The Panel should also engage other Local Authorities to look at good practice, including Richmond Council who the task group met with as part of this review.

- 12.21 Members acknowledged the necessity of an evidence base when developing strategies and making the case for funding or partner involvement in meeting housing need. Richmond has utilised good practice in developing their housing strategy by commissioning external consultants, working with the GLA, RP's and the local housing partnership. They also jointly commissioned the University of Cambridge to carry out research on the private rented sector and housing need, engaging experts in generating policy solutions and viability studies of proposals.

13. Local Authorities as Housing Providers

- 13.1 Members chose to investigate models for councils to build, develop and provide much needed housing, within existing financial constraints. Housing is a key driver of economic growth, which is important to local authorities as their government grant reduces and they become more financially reliant on the proceeds of growth. So councils need to see themselves as housing delivery enablers and providers and as organisations that proactively create the conditions for house building.
- 13.2 This is a huge challenge that will require innovation, new partnerships and investment. Consideration should also be given to the scale of development needed and how this might be achieved through direct provision.⁶⁵ Should the council choose to develop housing, the GLA advised that councils that own more than 200 units would be required to register as a developer.

Alternative models: Housing Development Company (Sutton Council)

- 13.3 Members met with the Head of Housing Needs at Sutton Council to explore the business case and added value of establishing a housing development company to fund and build affordable housing as a provider.

⁶⁵ LGIU – *Under construction: Are councils ready to get the nation building?* (July 2015)

- 13.4 A Housing Development Company is a council owned arms length company that is commercially focused, with the aim of developing, owning and providing housing for rent.
- 13.5 Sutton aim to maximize social housing for rent in this new build council housing programme. However, this is on the understanding that to enable this outcome, there may need to be flexibility in the range and number of homes of other tenures developed that can create an income stream for the authority and enable more social housing to be subsidised. Sutton have undertaken financial modelling in order to establish the optimal dwelling and tenure mix for each site or package of sites within the programme.
- 13.6 The order of preference for new build in Sutton through this model is to be in the form of:
- Social housing for rent
 - Affordable rent
 - Low cost home ownership
 - Market sale or rent
- 13.7 Sutton Council has employed a twin track approach to new build by developing both directly through the Housing Revenue Account and separately through the General Fund. HRA funding can only be used to fund assets to be held within the HRA. Therefore, building affordable homes outside the HRA would enable the council to utilize other sources of funding such as prudential borrowing. In addition to maximizing the amount of housing that could be provided overall, the latter option also has the additional advantage of the new homes not being subject to Right to Buy. Equally, in order to develop through the General Fund, a council wholly owned company or Development Company could be established as a vehicle to deliver new homes.
- 13.8 In establishing the company, Sutton Council have commissioned a development partner to manage all aspects of the HRA development programme and specialist consultancy support was commissioned to look at funding sources that could be utilized alongside the HRA and General Fund. Sutton has £16.4 million borrowing capacity within the HRA that can be accessed for capital investment. Officers have conducted an option appraisal of potential development sites, identified within the HRA, to assess the scope and capacity for new build council housing and how it might be delivered. Having appraised underused garage and other sites, an initial schedule of viable sites has identified development potential for 150 new homes. This model also presented the opportunity for the council to develop a more strategic approach to asset management, linking uneconomic dwellings to proposals for new build council housing.

- 13.9 The company exists as a wholly owned subsidiary of the council and through the HRA, General Fund, prudential borrowing and Public Works Loan Board funds, will develop housing on a number of council owned sites, despite similar challenges as Merton in terms of site availability and the scale of developments the borough is able to permit.
- 13.10 The anticipated return on investment in development is the increase in asset value in the long term. Sutton has undertaken economic modelling to determine the feasibility of this model and how it might be funded. It has also sought political support through the decision making process. However, the company has yet to be formally established and consideration needs to be given to the speed at which it can start delivering housing. Issues concerning governance, subsidiary status and operational structures also need to be worked through before development can commence.
- 13.11 The model, however, was appealing to members of the task group. This model has been employed by other councils and offers a way for Local Authorities to be more proactive about building affordable housing, with established funding sources that will enable the council to invest in housing stock that will generate an income stream and a return on investment in the long term. It also provides a mechanism by which councils can optimise the use of their assets and presents opportunities beyond simply disposing of land for a one off capital receipt.

Providing Affordable Housing: A Housing Development Company for Merton

- 13.12 The Task Group explored how Merton Council proposed to meet both current and future housing need as a producer of housing development, acknowledging the current financial climate and reduction in government funding, the council are exploring alternative models that ensure assets are appropriately utilised.
- 13.13 Officers presented proposals to the task group for Merton to establish a Housing Development Company, which would provide mixed tenure housing covering private sale, private rented and affordable rent. This would enable reinvestment into future housing programmes and support the development of necessary infrastructure and services.
- 13.14 The Council is looking beyond quick gains in selling off its assets (land and sites for housing) for a capital receipt. Instead, the company would create a sustainable programme of housing development, an income stream for the Council over the longer term and return on investment based on future asset sales. This company would also speed up building programmes and address any stalled sites or land banking taking place by being in a position to build, either as a council, through a private partner/developer, or in partnership with

Housing associations. However, these funds wouldn't necessarily be ring fenced for housing.

- 13.15 Financial modelling has been undertaken to develop an outline financial business case and a list of potential council owned sites for development have been identified. The timescales for the development of these sites have been identified and it is anticipated that 100-150 houses could be developed in the first round of the programme.
- 13.16 The business case for this model will need to be taken through the appropriate decision making channels to seek agreement to the method of procurement for the formation of a company, the design and construction mechanism for the houses, and the managing agents for the stock. Cabinet will consider this late 2015. Should agreement be sought for this model, design and construction procurement would begin in winter 2015 and planning approval would be sought in spring 2016. Phase 1 construction would commence in autumn 2016 and the first round of housing development could be completed by autumn 2017.

Recommendation 13 - That the Council consider the proposal for a Housing Development Company in Merton and ensure that it meets Council policy on affordable housing, encouraging where possible, given that it is a Council owned vehicle that it provides above and beyond the baseline of 40% affordable housing.

Recommendation 14 - That Cabinet explore effective policy enacted by other London Councils to unlock land banking and stalled development sites to ensure that affordable housing can be developed sooner.

14. Alternative models to meet housing demand

- 14.1 The Task Group were keen to explore alternative models of housing that could meet the demand for affordable housing in the borough and be facilitated by the council in their enabler role. Members met with representatives and explored affordable housing models delivered by Pocket Living, YCube and on surplus NHS land.

Pocket Living

- 14.2 Pocket delivers grant-free intermediate housing enabling Londoners on modest incomes to buy their own home outright. Pocket acknowledge that living and working hard in London is a challenge and that many young people earn too much for social housing but that private ownership is increasingly impossible with monthly rents now taking up 55% of Londoners' average gross earnings.

- 14.3 Pocket build and price homes for the young working market that earn less than the Greater London Authority threshold (£66,000), but still earn too much to qualify for social housing. Homes are purchased outright with at least a 20% discount to the open market and have a restrictive covenant that controls their future affordability by making provisions to ensure they remain at an affordable price. Pocket also enforces strict eligibility criteria to avoid buy to let investors purchasing flats and ensuring that they are prioritized to those in need of affordable housing who already live or work in the Borough.
- 14.4 Pocket Living seeks to provide the maximum number of affordable housing units in every development. Pocket homes form part of the 1.7% supply of affordable housing products across London, with 66.4% of supply offering private sale housing and 30.9% supply meeting social housing need.
- 14.5 Members expressed interest in this model and the possibility of providing affordable housing as a mechanism by which to support first time buyers to live independently and make preparations toward purchasing in the private market in the future. Pocket has held meetings with Cabinet Members and Officers at Merton to explore options for this model in the borough. Pocket would meet anticipated housing need linked to demographic change, with the increase in population in Merton to 223,700 anticipated by 2019, and an additional 7,800 single person households anticipated by 2016. Single parent households are also anticipated to increase by 9% by 2016. Merton also has a generally low level of affordable housing, compared with London average (14% v 22%), and the average price in Merton increased by 18% in 2014 to £461,000. There is also a low supply of new one-bed flats in the borough. Pocket therefore presents a viable solution to meeting housing need.
- 14.6 Furthermore, Pocket has also received a £21.7m loan from the GLA and all profits must be reinvested into building more affordable homes for the duration of the loan. Pocket are working to speed up the process of public land disposal and permissions to reinvest the GLA investment faster which could deliver up to 1,000 more homes by 2023.

Recommendation 15- That Cabinet identify sites to commission the development of intermediate products, such as Pocket homes, in order to meet the needs of those trying to secure ownership of a property but unable to afford full market values.

Y-Cube

- 14.7 YCube aim to support young people to move out of temporary accommodation provision and into homes that will enable them to live independently. YCube provide 1 and 2 bedroom properties that can be easily assembled and placed on available sites without the need for significant foundations. The houses are

constructed in a factory and simply placed on the site. This means there is a 25% saving on construction and site costs. There is a robust construction system in place and the majority of sites are leased, which addresses the issue of land value. Units can be stacked 5 high before additional framing is required and the design aims to keep costs low.

- 14.8 This product can be used in small and large volumes on any site, even contaminated land; however, the housing model must go through the planning process as all other housing solutions do. The benefit is that YCube is as permanent as it is required to be. It can be an interim or permanent housing solution and the model has a long life span. The 1st scheme was an initiative led by the YMCA, which has been licenced across the UK and has been piloted in other boroughs and in Mitcham.
- 14.9 This is a viable income stream as land can be leased for up to 25 years and units can be added at any time. However, YCube housing is not offered as a long term homelessness solution, but as a fixed term housing solution, to help people get on the property ladder, with a 5 year tenancy offering a period to enable transition into home ownership. The rent model is £120 per week and is half the cost of private rented sector properties and costs to the council in terms of temporary accommodation.
- 14.10 YCube offers affordable housing which will meet demand quickly and relatively easily, through light touch foundations and the ability to set up on a range of sites. For those in social/supported housing, it provides tenants with independence beyond temporary accommodation. Members felt that this model offered an opportunity to meet housing demand and were keen to explore the benefits for Merton residents further.

Recommendation 16- That Cabinet identify sites to commission the development of homes, such as those offered by YCube, in order to support residents to move out of temporary accommodation or social housing.

NHS Surplus Land and Mixed use sites

- 14.11 Members heard that releasing surplus or underused public land could play a major role in meeting housing need. Public land belonging to central government, the Greater London Authority (GLA), the NHS and local authorities could help deliver as many as two million new homes, according to analysis by Savills. Cabinet Office figures show the public estate held by central and local government in England is worth £370 billion. The NHS is one of the largest public landowners in the UK, with total assets valued at more than £31 billion⁶⁶.

⁶⁶ National Housing Federation – *Surplus NHS Land; a best value alternative* (2014)

- 14.12 The NHS also has established ways of disposing of surplus land, most of which require selling at open market price. Selling underutilised land and buildings could bring in up to £7.5 billion as a one-off capital gain, and given the increasing financial pressures on the NHS, selling land is appealing and actively encouraged by the Treasury, Monitor and the Trust Development Authority (TDA).⁶⁷
- 14.13 However, alternatives to the disposal of NHS land for a one off capital receipt are being explored and developed working with housing associations, offering on-going revenue stream from than a one-off capital gain, achieving even greater financial returns over the medium to long term. This approach has been adopted successfully by a number of public landowners, including some innovative local authorities, and has demonstrated how it is possible to maximise the value of these assets. Being creative with land use could also help the NHS galvanise the required transformation in health and social care over the coming years.⁶⁸
- 14.14 With this in mind, the Task Group met with representatives from the National Housing Federation and NHS Property Services to consider opportunities for developing mixed use sites and/or affordable housing on NHS land in Merton.
- 14.15 Members met with (Area Strategic Estates Planner) who outlined the process for accessing and bidding for NHS land. Once commissioners have declared NHS land surplus, it is advertised on the governments EPIM (Electronic Property Information Mapping Service) Register for Surplus Public Sector Land for 40 days to enable other public sector organisations to express an interest. After this, surplus land goes on the open market for the highest bid, to enable the NHS to meet the requirements of best value from Monitor and the TDA. Any NHS land sold to the council would not be at a discounted rate, but at full market value.
- 14.16 But although Monitor states that the disposal of NHS estate could yield a one off gain of £7.5 billion for the acute and mental health sectors, it acknowledges that this would not keep the funding gap closed in the long-term.⁶⁹ A recent report by EC Harris puts this into the context of the NHS estate, identifying 77,000 homes that could be built in London alone by refurbishing current NHS buildings and adding residential units above.⁷⁰ NHS land has the capacity for

⁶⁷ National Housing Federation – *Surplus NHS Land; a best value alternative* (2014)

⁶⁸ National Housing Federation – *Surplus NHS Land; a best value alternative* (2014)

⁶⁹ National Housing Federation – *Surplus NHS Land; a best value alternative* (2014)

⁷⁰ National Housing Federation – *Surplus NHS Land; a best value alternative* (2014)

up to 150,000 homes to be developed between 2015 and 2020 across the UK.⁷¹

- 14.17 Furthermore, research shows investment in affordable housing supports multiple health benefits, including improvements to individual health and wellbeing outcomes.⁷²
- 14.18 In developing mixed use sites and housing, NHS Property Services work with the Healthy Urban Development Unit who plays a lead role in London to ensure there is appropriate health infrastructure to serve local communities. They support health commissioners and specifically respond to planning policy documents and local development plans to identify current and future population requirements. The NHS has projected an increase in need for health services/infrastructure for 70,000 people over the next 10-15 years. There is however, a shortfall in potential sites to meet such demand.
- 14.19 Relationship building with the NHS is key in accessing available land. It was proposed that Housing Associations are sometimes better placed to negotiate with the NHS on available sites due to easier access to finance and ability to act as a development partner.
- 14.20 NHS England owns a number of sites in Merton (attached as appendix 4). The National Housing Federation proposed that the council map public land to support the case for mixed-use sites and joint ventures with the NHS. Housing Associations and councils should work with trusts and CCGs to understand their infrastructure needs and create a business case that answers this. Economic modelling of alternative housing can play a role in creating this business case and demonstrating shared commercial and social objectives.

Recommendation 17- That the Council lobby the Sec. of State for Health to simplify structures regarding land ownership and responsibilities for selling off NHS land.

15. Concluding Remarks

- 15.1 The task group were mindful that approaching a review on housing supply would be challenging and that generating recommendations that would benefit residents in housing need would have to be managed against a number of factors such as land availability, site size, political appetite, finance and the willingness of Housing Associations and private developers to build in Merton.
- 15.2 Furthermore, encouraging the development of affordable housing is a national problem and therefore the review would have to look at this issue in terms of the

⁷¹ National Housing Federation – *Surplus NHS Land; a best value alternative* (2014)

⁷² National Housing Federation – *Surplus NHS Land; a best value alternative* (2014)

national, regional and local context, Government agenda and available finance outside of the HRA.

- 15.3 The role of the Council then as both enabler and provider of housing has been explored during this review and the Task Group have generated recommendations that will enable the Council to achieve its 40% affordable housing target, and to exceed it, where possible.
- 15.4 Working in partnership with Housing Associations, private developers and the private rented sector is also central to meeting housing need and to the recommendations of the Task Group being delivered.
- 15.5 The recommendations of the task group seek to:
- Build stronger relationships with Housing Associations and the Private Rented Sector, acknowledging the key role they play in meeting housing need;
 - Strengthen the Council's position as an enabler of housing development, in its engagement with private developers and seeking to deliver the maximum amount of affordable housing possible;
 - Encourage the role of the Council as a provider of housing; and
 - Support those in priority need and on the Council's Housing Register to access affordable housing

16. What Happens Next?

- 16.1 This report will be presented to the Sustainable Communities Overview and Scrutiny Panel meeting, on 2 September 2015, for the Panel's approval.
- 16.2 The Panel will then send the report to the Council's Cabinet meeting on 14 September 2015 for discussion and to seek agreement to the recommendations presented.
- 16.3 The Cabinet will be asked to provide a formal Executive Response and Action Plan to the Panel within two months of the submission of the report to its meeting in January 2016. The Cabinet will be asked to respond to each of the task group's recommendations, setting out whether the recommendation is accepted and how and when it will be implemented. If the Cabinet is unable to support and implement some of the recommendations, then it is expected that clearly stated reasons would be provided for each.
- 16.4 The lead Cabinet Member (or officer to whom this work is delegated) should ensure that other organisations, to which recommendations have been directed, are contacted and that their response to those recommendations is included in the Executive Response and Action Plan.
- 16.5 The Panel will seek a further report six months after the Cabinet response has been received, giving an update on progress with implementation of the recommendations.

Appendix 1

Whom we spoke to:

External

Organisations:

Nick Williams, Operations Director (Pocket Living)

Lucian Smithers, Sales & Marketing Director (Pocket Living)

John Hughes - Group Development Director (Notting Hill Housing Group)

Robert Jakusconeck - Head of Land & Planning (Catalyst Housing)

Laura Hallett - Resident Services Manager (L&Q Housing Association)

Shumshair Patel - Senior Customer Relationship Officer (Wandle Housing Association)

Khayrul Mirza - (Wandle Housing Association)

Bob Beaumont – Group Head of Regeneration (Affinity Sutton)

Jane Bolton, Interim MD (Circle Housing Merton Priory)

Paul Quinn - Director of Regeneration (Circle Housing Merton Priory)

Luke Chandler - Assistant Director of Development (Circle Housing Merton Priory)

Bunmi Atta - Regional Development and Commercial Property Director (Amicus Housing)

Andy Redfearn, (YMCA – YCube)

Jamie Ratcliffe – Assistant Director (Programme, Policy and Services) GLA

Lucy Owen – Head of Area (South West London) GLA

Patrick Vernon OBE, Health Partnership Coordinator, National Housing Federation

Cllr Lisa Blakemore, Cabinet Member for Housing and Public Health, Richmond Council

Nicky Simpson, Planning and Policy Manager (Housing), Richmond Council

Officers at Barking and Dagenham Council

Shaheen Saiyed, Area Strategic Estates Planner (South London), NHS Property Services

Officers:

Steve Langley

James McGinlay
Tara Butler
David Keppler

Cabinet Members:

Councillor Nick Draper
Councillor Andrew Judge

Appendix 2
Equality Impact Assessment (EqIA) template
Initial Screening



This form should be completed in line with the Equality Impact Assessment guidance available on the [intranet](#)
 The blue text below is included to help those completing the template and should be overwritten.

| | |
|---|--|
| EqlA completed by: (Give name and job title) | Rebecca Redman, Scrutiny Officer |
| EqlA to be signed off by: (Give name and job title) | <i>Julia Regan, Head of Democracy Services</i> |
| Department/ Division | Corporate Services, Democracy Services |
| Team | The Scrutiny Team |
| EqlA completed on: | 19 th August 2015 |
| Date of Challenge Review (if you have one): | N/A |
| Date review of this EqlA is due (No later than 3 years from date of completion): | TBC |

What are you assessing?

- ☐ **Policy:** A policy is an adopted approach by the Council to a specific issue or position, usually in the long term. It provides a set of ideas or principles that together form a framework for decision making and implementation.¹ A policy may be written or
- ☐ **Strategy:** A strategy sets out the activities and actions that have been identified as most likely and cost-effective to achieve the aims and objectives of a council policy e.g. the Consultation Strategy.
- ☐ **Procedure:** A procedure sets out the way in which practices and actions are to be undertaken at an individual level in order to achieve the policy in local situations, for example using a flow chart approach. Procedures also outline who will take responsibility on a day to day basis for decisions in the implementation of the policy.² For example, this procedure for carrying out an EqlA.
- ☐ **Function:** A function is an action or activity that the Council is required to carry out for example emergency planning arrangements.
- ☐ **Service:** A service is a facility or provision made by the Council for its residents or staff for example the Library service or Translation service.

1. Title of policy, strategy, procedure, function or service

Policies and services to meet Housing Need, in particular the need for affordable housing.

2. For functions or services only: Does a third party or contractor provide the function or service? If so, who?

Yes. Housing need is met locally through the provision of housing (mixed tenure) by Housing Associations and supply from private developers.

3. Who is the policy, strategy, procedure, function or service intended to benefit?

All residents in Merton, particularly those requiring more affordable housing to enable them to stay in their communities, those in priority need, at risk of homelessness or for those that contribute to the boroughs workforce/economy.

4. Who else might be affected?

Housing Associations, private developers, the Council, temporary accommodation providers and private sector landlords.

5. What is known about the demographic make up of the people you have included in your answers to questions 4 and 5?

The Housing Needs and Enabling Service undertook a Strategic Housing Need and Market Assessment in 2005 and in 2010 which was utilised in the review, alongside the current Housing Register and information on tenants that receive benefits, which provided a picture of those in housing need.

6. Have you already consulted on this policy, strategy, procedure, function or service? If so, how?

The Task Group engaged a range of stakeholders throughout this review to produce evidence based recommendations. Any policy or service developments resulting from agreement to, and implementation of, these recommendations should be subject to appropriate consultation by responsible officers within those departments and/or by relevant partners.

7. How will you measure the success of your policy, strategy, procedure, function or service?

The Sustainable Communities Scrutiny Panel will monitor implementation of the action plan resulting from Cabinet consideration and agreement of the Task Groups recommendations.

8. How often will the policy, strategy, procedure, function or service be reviewed?

The Sustainable Communities Scrutiny Panel will review the Action Plan and its delivery every 6 months at its formal meetings and will appoint a Member Champion to act on behalf of the Panel and engage with officers more regularly, on an informal basis, to ensure that progress is being made against the action plan.

9. When will the policy, strategy, procedure, function or service next be reviewed?

The Sustainable Communities Scrutiny Panel will receive the Executive Response and Action Plan at their November 2015 meeting.

10. Please complete the following table and give reasons for where:

- (a) The policy function or service could have a positive impact on any of the equality
- (b) groups. The policy function or service could have a potential negative impact on any of
- (c) the equality groups.

Think about where there is evidence that different groups have different needs, experiences, concerns or priorities in relation to this policy, strategy, procedure, function or service.

The recommendations made seek to improve supply and meet demand for social housing in line with priority need, for those at risk of homelessness, for those seeking more independent means of living and those wishing to secure home ownership. Should the proposals made for the models that may be employed to meet this need (as outlined in the task groups recommendations) be accepted, then there will be a positive impact on socio economic status and a neutral impact on all groups below, however, no negative impact is anticipated. There needs to be caution however in expecting the recommendations to meet all housing need as the measures proposed will only go so far in meeting current need.

| Equality group | Positive impact | | Potential negative impact | | Reason |
|---------------------------|--------------------------|----|---------------------------|--------------------------|--------|
| | Yes | No | Yes | No | |
| Gender (inc. Transgender) | <input type="checkbox"/> | | | <input type="checkbox"/> | |

| | | | | |
|---|--------------------------|--|--|--------------------------|
| Race/ Ethnicity/ Nationality | <input type="checkbox"/> | | | <input type="checkbox"/> |
| Disability | <input type="checkbox"/> | | | <input type="checkbox"/> |
| Age | <input type="checkbox"/> | | | <input type="checkbox"/> |
| Sexual orientation | | | | <input type="checkbox"/> |
| Religion/ belief | | | | <input type="checkbox"/> |
| Socio-economic status | <input type="checkbox"/> | | | <input type="checkbox"/> |

11. Did you have sufficient data to help you answer the above questions?

☐ **Yes**

12. Is a full Impact Assessment required?

☐ **No**

| | |
|----------------------------|--|
| EqlA signed off by: | |
| Signature: | |
| Date: | |

Appendix 3 – Eligibility Criteria for Temporary Accommodation

Residents with priority need that are eligible for homelessness assistance must fall into the following categories. These categories confer priority need on other people with whom they can reasonably be expected to reside with:

- Pregnant;
- Have dependant children;
- Vulnerable;
- 16 and 17 year old;
- 18 to 20 year old care leaver; and
- Homeless through fire, flood; or other disaster

A vulnerability test is also applied when an individual presents as homeless. This test is applied to the following categories:

- Old age;
- Mental illness or disability
- Physical disability
- Having been looked after, accommodated or fostered and is aged 21 or more
- Having been a member of her Majesty's regular naval, military or air forces
- Having been in prison or custody
- Ceasing to occupy accommodation because of violence from another person or threats of violence that are likely to be carried out
- Other special reason

Appendix 4 NHS Land in Merton (data provided by NHS Property Services)

| CCG | Prop ID | Cost Centre | Site | Address | Postcode | Tenure | Asset Form | Lease Exp | Type | Specialist | Age | GIA | NIA |
|------------|----------|-------------|--------------------------------|--|----------|-----------|------------|-----------|----------------------------------|------------|-----------|--------|--------|
| Merton CCG | multiple | multiple | 120 The Broadway | 120 The Broadway Wimbledon | SW19 1RH | leasehold | 45452 | | Office | | 2004-2009 | 4707.9 | 4557.7 |
| Merton CCG | 4800 | AM7811 | Amity Grove Clinic | 9 Amity Grove | SW20 0LQ | freehold | | | Health Centre/Clinic/ GP Surgery | | | 453.77 | 410.18 |
| Merton CCG | 4802 | AM7812 | Birches Close | former Cumberland Hospital, Whitford Gardens, Mitcham (known as Birches Close) | CR4 4LQ | freehold | | | mixed use site | | | 1106 | 1034 |
| Merton CCG | 4805 | AM7817 | Birches Freshfields Day Centre | Birches Close, Mitcham | CR4 4LQ | freehold | | | Health Centre/Clinic/ GP Surgery | | | 595 | 595 |
| Merton CCG | 4802 | AM7813 | Birches Polyclinic | Birches Close, Mitcham | CR4 4LQ | freehold | | | Health Centre/Clinic/ GP Surgery | | | 619.7 | 574.82 |
| Merton CCG | 4809 | AM7821 | Morden | Morden | SW19 3DA | freehold | | | Health | | | 483.9 | 429. |

| | | | | | | | | | | | | | |
|-------------------|------|--------|--|----------------------------------|----------|-----------|--|--|--|--|-------------|-------------|------------|
| n CCG | | | Road Clinic | Road | | | | | Centre/Clinic/ GP Surgery | | | 6 | 01 |
| Merto n CCG | 4814 | AM7824 | Patrick Doody Clinic | Pelham Road, Wimbled on | SW19 1NX | freehold | | | Health Centre/Clinic/ GP Surgery | | | 663.7 6 | 675. 41 |
| Merto n CCG | 4816 | AM7836 | The Paddock Wilson GP Led Health Centre | Cranmer Road | CR4 4TP | freehold | | | Health Centre/Clinic/ GP Surgery | | | 503 | 237 |
| Merto n CCG | 4808 | AM7833 | The Wilson Hospital | Cranmer Road | CR4 4TP | freehold | | | mixed use site | | pre 1948 | 5983. 43 | 374 4 |
| Merto n CCG | 4817 | AM7835 | Wide Way Clinic | Wide Way, Mitcham | CR4 1BP | leasehold | | | Health Centre/Clinic/ GP Surgery | | | 1022. 7 | 965. 18 |

| | | | | | | | | | | | | | |
|-----------------------------------|--|--|------------------|--|---------------------------------------|--|--|--|--|--|--|--|--|
| Properties disposed since 2009 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | Belmont House | Homelan d Drive, Brighton Road, | Sutton - 8 x 1 bed flats - 2008 | | | | | | | | |

| | | | | | | | | | | | | | |
|---------|--|--|--|--|---|--|--|--|--|--|--|--|--|
| | | | | Belmont SM2 5LY | | | | | | | | | |
| | | | Carshalton War Memorial Hospital | The Park, Carshalton | Sutton - conversion to 13 dwellings 2011 | | | | | | | | |
| | | | Cheam Day Centre | Spring Close Lane, Cheam SM4 8PU | Sutton demolition 8 x 1 bed flats | | | | | | | | |
| Page 84 | | | Meopham Road Clinic | Meopham Road Mitcham CR4 1BJ | no info found | | | | | | | | |
| | | | Nelson Hospital | Kingston Road, Merton SW20 8DB | Merton retirement Home + care centre GP x 2 in 2012 | | | | | | | | |
| | | | Orchard Hill Hospital | Fountain Drive, Carshalton | Sutton 246 dwellings 2011 | | | | | | | | |
| | | | | | | | | | | | | | |

Committee: Cabinet

Date: 19th October 2015

Agenda item:

Wards: ALL

Subject: Final Report of the Improving the uptake of immunisations in the 0-5 age group scrutiny review

Lead officer: Stella Akintan, Scrutiny Officer

Lead member: Councillor Brenda Fraser, Chair of the immunisations task group

Contact officer: Stella Akintan, stella.akintan@merton.gov.uk; 020 8545 3390

Recommendations:

- A. That Cabinet considers and endorses the recommendations arising from the scrutiny review on improving the uptake of immunisations in the 0-5 age group attached at **Appendix 1**.
 - B. That Cabinet agrees to the implementation of the recommendations, by means of an action plan to be drawn up by officers and relevant partners.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This is a report and recommendations arising from a scrutiny review of improving the uptake of immunisations in the 0-5 age group. The work came about as the result of a successful application to the Centre for Public Scrutiny for five free days support from an expert advisor to support a scrutiny task group on immunisations. The review was sponsored by Sanofi Pasteur, although they did not have any direct involvement in the work.
- 1.2. The report and recommendations have been endorsed by both the Overview and Scrutiny Commission and the Health and Wellbeing Board.

2 DETAILS

- 2.1. In 2012/13 Sutton and Merton Primary Care Trust reported the lowest childhood immunisation rates in the Capital, with very few GP practices reaching the World Health Organisation targets of 95%.
- 2.2. The task group agreed to focus on immunisations for the 0-5 years in recognition that this is the most challenging area and one which a scrutiny review could have a significant impact.
- 2.3. The evidence highlights that immunisations in the early years from 0-5 had the lowest take up rates and this group along with the over 65s, are the most vulnerable to communicable diseases. A significant number of vaccinations are required during the early years which may contribute to the challenges in this area. Evidence shows that if people do not begin the process of immunising their children in the early years; they are less likely to have the booster injections.
- 2.4. It was also recognised that the child population is expanding, with changing demographics, which makes this a more pertinent area to review.

Immunisations at the school age years have the benefit of a structure of the school system which can help to boost rates.

- 2.5. The report was agreed by the Overview and Scrutiny Commission on the 14th July 2015 and the Health and Wellbeing Board on 29th September, 2015.

3 ALTERNATIVE OPTIONS

The Overview and Scrutiny Commission can select topics for scrutiny review and for other scrutiny work as it sees fit, taking into account views and suggestions from officers, partner organisations and the public.

Cabinet is constitutionally required to receive, consider and respond to scrutiny recommendations within two months of receiving them at a meeting.

- 3.1. Cabinet is not, however, required to agree and implement recommendations from Overview and Scrutiny. Cabinet could agree to implement some, or none, of the recommendations made in the scrutiny review final report.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Cabinet will be consulted at the meeting

5 TIMETABLE

- 5.1. The report is being sent to Cabinet for consideration and response.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. None relating to this covering report

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. None relating to this covering report. Scrutiny work involves consideration of the legal and statutory implications of the topic being scrutinised.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. It is a fundamental aim of the scrutiny process to ensure that there is full and equal access to the democratic process through public involvement and engaging with local partners in scrutiny reviews. Furthermore, the outcomes of reviews are intended to benefit all sections of the local community.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None relating to this covering report. Scrutiny work involves consideration of the crime and disorder implications of the topic being scrutinised.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None relating to this covering report

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Scrutiny review report - Improving the uptake of Immunisations in the 0-5 age group

12 BACKGROUND PAPERS

12.1. .

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Improving the uptake of Immunisations in the 0-5 age group Overview and Scrutiny Report

DRAFT

Task group membership

Councillor Brenda Fraser (Chair)
Councillor Joan Henry
Councillor James Holmes
Councillor Brian Lewis-Lavender
Councillor Katy Neep
Councillor Marsie Skeete
Councillor Linda Taylor

Scrutiny support:

Stella Akintan, Scrutiny Officer

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This review work is part of a collaborative project between the Centre for Public Scrutiny and Sanofi Pasteur MSD. Sanofi Pasteur MSD has provided funding to The Centre for Public Scrutiny to enable them to offer consultancy from their Expert Advisory Team to the London Borough of Merton. Sanofi Pasteur MSD has not attended the scrutiny stakeholder events and has had no input into the creation of this report.

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Foreword by the Task Group Chair

Immunisation plays a really important role in keeping our nation healthy. It is a preventive measure especially for young children, as it attributes resistance to specific infections.

We need to continue the fight against infectious disease, most have been eradicated but others are reportedly making a comeback, which can cause severe trauma to the lives of families. It is therefore, important to establish clear routines in immunisation procedures. Pregnant women, parents and guardians must be given information so that they can make informed choices regarding immunisation.

We also need to ensure we meet the World Health Organisation target as a lapse in take-up not only cause an increase in the different illnesses, but also takes a long time for protection to be re-established in communities.

We are grateful to all our witnesses, Dr Kay Eilbert, Director of Public Health, as well as the public health team, our advisor from the Centre for Public Scrutiny and our Scrutiny Officer, Stella Akintan, who has tirelessly investigated and sought those in the community with responsibility for this area of health to share experiences and to promise commitment to this project.

Although we have completed the review, this is not the end. We will ensure, by continuing investigation and dialogue that our voice is heard and the children of Merton as well as the wider community reap the benefit of this work.

Executive Summary

This task group considered the important issue of how to improve the take-up of immunisations amongst the 0-5 age group. This issue was very pertinent in Merton given that Sutton and Merton Primary Care Trust reported the lowest immunisations rates in London in 2012/13.

The task group met with a wide range of witnesses including; NHS England, Director of Public Health, Public Health England, parents, early years staff, Merton Clinical Commissioning Group and Sutton and Merton Community Services.

The task group identified a number of important factors that will contribute to improving take-up rates. These include;

- An effective local co-ordination group must be in place which has commitment from the key partners who deliver immunisations. The group should identify clear objectives and develop an action plan to improve take-up.
- Immunisation data must be updated in a timely way to ensure that the key agencies have the latest immunisation figures.
- The local co-ordination group should develop projects to identify and provide support to the groups who are least likely to immunise.
- Finding innovative ways to embed key immunisation messages within the community is the best way to improve take-up.
- The immunisations schedule is complex and changes regularly therefore it is important to ensure that parents and guardians are able to access support and reassurance when they need it.

The task group made a number of recommendations to address these issues and agreed to continue to raise the profile of this important issue locally.

Introduction

1. Immunisation has been hailed as one of the greatest successes of the public health movement in eradicating the infectious diseases that ravaged Britain three hundred years ago. Sustaining take up of immunisations is important; the World Health Organisation has set a target of 95% of the population to be vaccinated as high levels of herd immunity are needed to reduce the possibility of the diseases spreading between people.
2. Whilst the majority of people do immunise their children, the challenge of modern times is to successfully target those who face a complex range of barriers and do not complete the immunisation schedule. Also, many people have not been exposed to the effects of the polio, whooping cough, smallpox and other infectious diseases their children are being vaccinated against, therefore the benefits may not be obvious.
3. In 2012-13, Sutton and Merton Primary Care Trust reported the lowest childhood immunisation rates in the Capital, with very few local GP practices reaching the World Health Organisation target. When the Centre for Public Scrutiny sought local authorities to conduct a review of immunisations it was an opportunity for scrutiny to consider this long standing issue and look at how to increase the uptake of immunisations across the borough.
4. Merton also had a new intake of politicians following the 2014 local election. This review presented an opportunity for them as well as our existing members to benefit from the support of an expert advisor from the Centre for Public Scrutiny.

Summary of Recommendations

1. NHS England, Merton Clinical Commissioning Group, Sutton and Merton Community Services and the Local Authority develop a joint working protocol including development of a joint action plan setting out frequency of meetings and priority actions to improve the take up of immunisations. Ensure the group leads on embedding immunisations messages in all nurseries, children's centres and early years' services in Merton.
2. The group should review the recommendations in the NHS Southwest London report *Childhood Immunisations and Vaccinations 2013* and decide what would be appropriate to take forward.
3. The group should report to the Health and Wellbeing Board on an annual basis and report their progress to the Overview and Scrutiny Commission on a six monthly basis until the Commission are satisfied that this work has been taken forward and that further improvements in immunisations have been made.
4. The task group chair to champion improving immunisation rates and raise the profile of this issue in appropriate forums.
5. That health champions deliver immunisations messages within their communities and public health team seek to develop health champion roles in communities where immunisation rates are the lowest where possible.
6. That the Public Health Team ensures that the role of health visitors in delivering information on immunisations is specified and strengthened in the commissioning arrangements.
7. Public Health Merton to work with Merton Clinical Commissioning Group to conduct an audit of GPs on the 'top tips' sheet including checking which practices use the text messaging service. Merton Clinical Commissioning Group and Public Health Team to explore future options for expanding the text messaging service.
8. Public health team to ensure that information on immunisations will be part of school entry packs and asked within the school entry health review, using the review as an opportunity to identify those unimmunised, promote immunisations uptake and signpost to child's GP.
9. Public health team should take every care to ensure that the immunisation data received from Public Health England is accurate

Key lines of enquiry

- A. To review the local arrangements and responsibilities for immunisations.
- B. To review arrangements for oversight, co-ordination and monitoring of immunisation services.
- C. To review which groups least are likely to immunise and how is this being addressed locally.
- D. To review the barriers and challenges experienced by parents in dealing with immunisations.
- E. Review the measures in place to address parents' concerns around immunisations.
- F. To review the opportunities for partnerships between organisations that work directly with parents and communities and the health services to involve parents.

Background

- 10. The Merton Joint Strategic Needs Assessment states that immunisation is the most cost effective health measure after clean water in saving lives and maintaining health. It is also an important efficiency measure in avoiding the high costs of hospital admissions.
- 11. This is demonstrated by a report from Sanofi Pasteur MSD ¹ on the economic value of vaccine which highlighted that in Europe the cost of a measles treatment in hospital is approximately £180-£414 compared to 15-84 pence as the cost of being vaccinated against the disease.
- 12. At the time of writing this report the council is refreshing its Health and Wellbeing Strategy, one of the priorities is 'Giving every child a healthy start'. This is in recognition that if a child has a strong foundation it will benefit them for the rest of their life. The Strategy is seeking to increase immunisation rates recognising they are a form early intervention which prevent illness and disease. The task group are pleased that the recommendations arising from this scrutiny review will inform the work in helping to improve immunisations rates. The Strategy will focus on improving the take up of MMR2 at age five. This indicator will be taken as proxy for improvement in uptake across all childhood immunisations, and not an indication that these are the only immunisations to be improved.

¹ The Economic Value of Vaccination, Sanofi Pasteur MSD, 2011.

Why focus childhood immunisations?

13. The task group considered a review on immunisations across three main areas; children up to the age of five years, school age children and young adults. After looking at the evidence and discussions with experts in the field, the task group agreed to focus on immunisations for the 0-5 years in recognition that this is the most challenging area and one where a scrutiny review could have a significant impact.
14. The evidence highlights that immunisations in the early years from 0-5 had the lowest take-up rates and this group along with the over 65s, are the most vulnerable to communicable diseases. A significant number of vaccinations are required during the early years which may contribute to the challenges in this area. Evidence shows that if people do not begin the process of immunising their children from birth; they are less likely to have the booster injections and complete the immunisations schedule.
15. It was also recognised that the child population is expanding, with changing demographics, which makes this a more pertinent area to review. Immunisations at the school age years are less of a challenge as they have the benefit of the structure of the school system which can help to boost rates.

Landscape for the delivery of immunisations

16. The commissioning of immunisations service has undergone significant changes since April 2013, responsibility has moved from the Primary Care Trust to NHS England who commission services from primary care and other community providers such as school nursing teams. NHS England also monitors and support providers' performance. Improving Immunisation Rates is the responsibility of the London Immunisation Programme Board who develop strategies to increase rates. A quality improvement board has been established in South London.
17. Merton Clinical Commissioning Group has a duty to deliver quality improvement for the immunisations services delivered in GP practices. As part of this, they work with individual practices to improve coverage and include information on immunisations within their programme of engagement and outreach work. The surgeries are responsible for delivering the childhood routine immunisation schedule.
18. Local authorities have a general duty to improve the health and wellbeing of their populations within their public health role. They also have an explicit

'assurance role' in which the Director of Public Health must have oversight of the immunisations and screening process and be satisfied that the system is operating effectively. The public health team works with the three GP localities in Merton to share best practice to improve performance.

19. Sutton and Merton Community Services are responsible for managing the central data recording systems. From April 2016, the potential delivery of school based immunisations and possibly 3-5% of the preschool immunisations. These contracts are due to be finalised after April 2016.

Immunisation rates in Merton

20. There has been a significant shift in the data on immunisation rates during the course of the review. The task group were initially presented with figures showing Merton with the lowest rates in London; however when the task group met with NHS England they were informed a number of measures were put in place to address this. NHS England focussed on a data extraction project, which electronically extracts immunisations from GP systems and puts them directly into RIO via an interface. This improves data collection and measurement of data quality.
21. The task group were told that it led to significant improvements in the data, for example on the 12 months Hib MenC MMR vaccine, Merton is at 92%. The London average is 90% placing Merton second place in South West London in the Cohort of Vaccinations Evaluation Rapidly (COVER).
22. NHS England said there has been steady progress in the last eighteen months. Merton Immunisations were at 65% and had increased to 80%, which places Merton second in South West London. Merton is in the top three in South West London for MMR booster. The gap has also greatly reduced on the pre-school booster.
23. Following questions from the task group NHS England accepted that improvement in immunisation figures was largely due to improving the data rather than improving uptake. Approximately 15% could be attributed to data collection and 2-3% on improving take-up rates.

Current work to improve the take up of immunisations

24. NHS England policy is to make 'every contact count' and maximise every opportunity to share important messages around immunisations. Therefore

they conduct a range of outreach activities such as work with women in mosques. They also engage with a wide range of partners such as local authorities on health promotion, Public Health England on national aspects of this work.

25. NHS England is developing a programme with GP surgeries to identify and provide targeted support for the groups who are not getting their children immunised. The work will have a very specific scope, the aim is to localise these services which could lead to at 3-5% increase in uptake, which would take the borough above the national average.
26. Merton Public Health Team has produced a local public health guide, which includes the immunisations schedule. Community health champions have recently been trained and can play a role in promoting immunisations messages. This new voluntary role will enable the health champions to work within their own communities and mobilise people around health and exercise. It may also include a focus on immunisations.
27. There are also a range of measures in place to support GP surgeries. The public health team have been attending Merton's three GP locality meetings to provide comparative data on immunisation rates. Public Health Merton have also developed a list of top ten tips in regards to good practice on immunisations which is shared with GP practices.
28. Merton Clinical Commissioning Group work with GP practices to improve uptake. For example practice managers can play an important role in helping patients to complete the immunisations schedule, therefore practice managers from high performing GP practices go to under-performing practices to provide support.

Stakeholder event

29. The task group held a session in the local community to provide an opportunity for all those with an interest in this area to contribute to the review. There was representation from Parents, Merton Clinical Commissioning Group, NHS England, Merton Early Years social work teams and councillors. Attendees engaged in a candid discussion about immunisations in Merton and highlighted there are no quick fix solutions to the problems as many are deeply rooted issues linked to disadvantage, exclusion and wider health inequalities.
30. Another key area to emerge from the discussion was the need to work in partnership to improve uptake of immunisations. The term partnership was

perceived as one which is often used loosely without giving due consideration to accountability, responsibility and commitment to achieving the shared aims and objectives. The stakeholders challenged this review to ensure that a genuine partnership approach was put in place.

Why do people not immunise?

31. Drawing from a wide range of sources, including evidence from the stakeholder event and findings from the NHS Southwest London report, the task group were able to build up a local picture of the factors which inhibit people from immunising their children in Merton:

- I. Families who need extra support: such parents with mental health problems.
- II. Larger families are less likely to immunise and or get top up boosters for younger siblings.
- III. People new to the UK who are not familiar with the immunisations schedule.
- IV. People who are not registered with a GP and lack contact with health professionals.
- V. Employment issues may make it difficult for parents to take time off work to take children for GP appointment and transport issues may have a similar impact.
- VI. Complexity of the immunisations schedule.

The task groups findings and recommendations fall into the following areas:

Local Co-ordination

32. Since the changes in structure in April 2013, resulting in more organisations contributing to the provision of immunisation services, the task group are concerned that the service has become fractured in that no organisation is taking responsibility for leading and guiding the overall process.

33. This became apparent when one of the first pieces of evidence to emerge was a report by NHS Southwest London on improving the uptake of

Childhood Immunisations in Sutton and Merton. This report had seemingly been lost in the transition from the Primary Care Trust to NHS England. The local partners the task group met with were not aware of the report. The task group didn't find any evidence of individual or organisation responsibility for the work, nor had any of the recommendations been taken forward.

34. The task group believes that given the complex nature of the new structure, in which there are different responsibilities as well as overlap between the organisations, partnership working is the only context in which a successful immunisations programme can be delivered.
35. The task group found that there needs to be more clarity around roles and responsibilities. For example during the meetings with the lead organisations it was apparent that it is unclear who would be financially responsible for running an immunisation campaign should the task group wish recommend this approach. NHS England has the commissioning responsibility and states there is no budget for health promotion work. The public health team in the local authority has an assurance role around immunisations and although it has a general duty to improve the health of its communities, the task group were told they would be very hard pressed to use their limited resources to pay for specific immunisations campaigns.
36. NHS England clearly stated to the task group that partnership working across multiple agencies is the best way to achieve improvements in immunisations. The task group understood that a local co-ordination group did exist in the past and had developed an action plan; however this has not met for some time and a covered both Sutton and Merton. The task group believes a Merton only group needs to be established.
37. The task group met with all the key partners; Merton Clinical Commissioning Group, NHS England South London Team, Sutton and Merton Community Services and Public Health Merton. They all agreed that local co-ordination was necessary and that they will commit to working together, sign a Memorandum of Understanding and develop an action plan to improve immunisations uptake in Merton. The task group understand that this has happened in other boroughs and is essential for increasing uptake of immunisations. NHS England has provided a draft Memorandum of Understanding which can be adapted for the local co-ordination group, this has been attached at **Appendix A**
38. Progress with the action plan should be reported to the Health and Wellbeing Board on a quarterly basis to ensure that the Board has a role in overseeing the work, providing advice and guidance to ensure that the strategic links are made with all relevant services across the borough. Reporting to the Board which is decision making and has membership from a range of partners will also help to keep this work high profile, so other local partners will know what

is happening with Immunisations.

39. It is also important that scrutiny maintains its usual oversight of task group reviews by reporting to the Overview and Scrutiny Commission on a six monthly basis until the Commission are satisfied that the recommendations have been implemented. The task group chair can also play an important on-going role in championing this work and raising the profile of improving immunisation take up in appropriate forums.

Recommendations

1. NHS England, Merton Clinical Commissioning Group, Sutton and Merton Community Services and the Local Authority develop a joint working protocol including development of a joint action plan setting out frequency of meetings and priority actions to improve the take up of immunisations. Ensure the group leads on embedding immunisations messages in all nurseries, children's centres and Early Years' services in Merton.
2. The group should review the recommendations in the NHS Southwest London report *Childhood Immunisations and Vaccinations*, 2013 and decide what would be appropriate to take forward.
3. The group should report to the Health and Wellbeing Board on an annual basis and report their progress to the Overview and Scrutiny Commission on a six monthly basis until the Commission are satisfied that this work has been taken forward and that further improvements in immunisations have been made.
4. The task group chair to champion improving immunisation rates and raise the profile of this issue in appropriate forums.

Health inequalities and immunisation take up

40. As with other London boroughs, Merton is working hard to reduce the health inequalities that exist between the wealthier and economically deprived areas, in this case the east and west of the borough. The Health and Wellbeing Strategy has a range of initiatives to provide support to those within the poorest communities.
41. The task group wanted to understand the link between health inequalities and immunisation take up rates. The public health team looked at take up rates between the East and West of the borough and found little difference between the two. However the task group believe there is a wider link between immunisations and vulnerable people, as many of the groups who have been identified as less likely to immunise their children and are those who are more likely to face health inequalities. This includes people who do not come into regular contact with health professionals, find it difficult to navigate the health

system and be proactive in managing their health schedule. The task group therefore believes that improving take up of immunisations should be an integral part of the health inequalities work streams even if the current take up rates figures may not reflect this as a problem.

42. The council has recruited and trained volunteer health champions who are representatives of their own communities and therefore well placed to deliver health messages and support within their own communities. The task group believe that they can play an important role in delivering immunisation messages and would like to see this incorporated into the role.

Recommendation

5. That health champions deliver immunisations messages within their communities and the public health team seek to develop health champion roles in communities where immunisation rates are the lowest, where possible.

Strategies to improve take up

43. Throughout the course of this work, the task group has come across good practice ideas to improve immunisation take up across the borough. Many of these were centred on widening access to GPs, improving call and recall systems as well as targeted support for seldom heard groups. Public Health England told us that one-off campaigns were likely to have limited impact, and would only be effective while the campaign was being run. Information leaflets can be useful to an extent. The most effective way to improve take up is to embed continuous, sustained messages within the community.

Health visitors

44. Health visiting services will transfer from NHS England to the local authority in October 2015. Health visitors play a crucial role in signposting people to services and ensuring that important messages on immunisations are given to parents. This is a good opportunity to review the role of health visitors to engage in meaningful dialogue with parents about the importance of immunisations and this should be reflected in all commissioning arrangements.
45. A report by the London Assembly entitled ' Still Missing the Point'² highlighted the impact of the reduction in health visitors in recent years as well as the increasing pressures on workloads, reducing the ability of these frontline workers to carry important immunisations messages. This was reiterated by the NHS South West London Childhood Immunisations and Vaccinations report which found that some health visitors may not feel confident to answer questions from parents about immunisations.

² Still Missing the Point Infant Immunisation in London. London Assembly, September 2007

Recommendation

6. That the public health team ensures that the role of health visitors in delivering information on immunisations is specified and strengthened in the commissioning arrangements.

Immunisation process in GP surgeries

46. Many people find the immunisation schedule complex and that it changes regularly, therefore they rely on appointment reminders. GP surgeries use a wide range of initiatives including sending text messages, letters and emails. Surgeries have different approaches to ensuring their patients are vaccinated, therefore not all Merton residents benefit from a reminder service. We received evidence that a central appointment system is a good way of improving the uptake of immunisations to ensure that all patients across Merton receive a consistent service.
47. The importance of flexibility and accessibility was also put forward as important to raise immunisations rates. Access to appointments at GP surgeries posed a challenge for some parents and they needed more information about accessing the out of hour's service.

Recommendation

7. Public Health Merton to work with Merton Clinical Commissioning Group to conduct an audit of GPs on the 'top tips' sheet, including checking which practices use the text messaging service. Merton Clinical Commissioning Group and Public Health Team to explore future options for expanding the text messaging service

Data issues

48. Accurate data was raised as a problem during our stakeholder event and all the witnesses the task group met with confirmed that it is a major issue. It was reported that recorded figures may not reflect the true picture as there is a time delay in data being received and recorded.
49. Accurate recording of those who have had their vaccination is important in understanding local immunisations rates. The collection pathway needs to be rigorous to ensure that vaccinations take place at the right time, patient records are kept up to date, and people's medical records follow them promptly when they move. This requires firstly the accurate coding of the vaccines given by the practice nurses, SMCS investigate non compatible codes on data transfer and relate these back to the practices. The process requires co-ordination of three organisations; GP practices who gather the information from vaccinations that take place at their practice, the information

is then passed to Sutton and Merton Community Services, who record it on the Child Health Information System. This which incorporates the child health records department and hold clinical records on all children and young people who upload the information into a software programme called RIO. The information is then passed to NHS England. The Missing the Point report identified significant problems with RIO system including its ability to make appointments automatically or recall children who have missed appointments or allow data sharing across clinical commissioning groups. RIO can schedule this but SMCS are not commissioned by MCCG to do this for their practices.

50. The highly mobile population in London is an issue in keeping patient lists up to date. Both for patients leaving or moving into the borough and for those newly arrived in the UK. NHS England also reports that there is a 20-40% annual turnover on GP patient lists which affects the accuracy denominator for COVER submissions, which can for example affect the denominator resulting in a lower percentage uptake.
51. Our witnesses told us that those who have the highest immunisation rates may be as a result of robust data systems rather than because they have managed to improve take-up rates amongst seldom heard groups. It was also reported that 2 or 3 children per practice can have an impact on the data.
52. In 2013, when Sutton and Merton recorded the lowest immunisations rates in the country, The then Director of Public Health in Sutton, reflected that this must be an issue of inaccurate data as if this was an accurate figure the area would be vulnerable to a rise in infectious diseases, when in reality, there had only been one recorded case of measles³
53. Public Health England also confirmed that at present there is no evidence to suggest a sustainable outbreak of measles is likely in Merton.
54. The Population Health Practitioner Lead - South London told the task group that when NHS England took over the commissioning of immunisations they were aware of the poor uptake COVER rates in Sutton and Merton and a number of measures were put in place to address this. The main focus of the work is a data linkage project which improves the efficient and accuracy of GP uploads to the RIO database
55. Sutton and Merton Community Services told us that data extraction has improved over the last year, however mobility of families is a problem. Some

³ London Borough of Sutton Press office, June 2013.

<http://www.sutton.gov.uk/suttonpress/index.aspx?articleid=17690>

data systems across London are sharing information across borough boundaries. They look forward to this being spread across London. The current system is reliant upon people being registered with a GP practice and people updating the system in a timely way.

Embedding important messages within the community

56. Embedding consistent messages within the community is the best way to get important information messages to parents. Public Health England said it is difficult to change behaviour and to show that new initiatives have made a difference. The statistics have not substantially changed over the last 20 years despite various initiatives. Therefore any new initiative needs to be sustainable.
57. The NHS South West London childhood immunisations report has suggested a robust campaign to inform parents about the dangers of not immunising children is needed. While there is likely to be some merit in that approach, this task group has found that embedding sustainable regular messages amongst key professionals within the community is likely to have more impact.
58. The NHS South West London childhood immunisations report highlights that many parents would like to have the opportunity to discuss details on immunisations with key professionals. While it may not be possible to sit down and discuss this at length with a GP, frontline health workers can play an important role and could be empowered to visit voluntary and community sector organisations to deliver important health messages. The task group support this approach and believe that networking in small groups will have impact in delivering immunisations messages.
59. We need a mechanism to ensure that important messages are fed back to co-ordinating groups so they understand what the issues are and can respond to them.
60. Participants at the stakeholder group also suggested that useful information on immunisations could be provided to pregnant women.
61. The World Health Organisation hold 'Child Immunisations Week' the public health team support this locally by providing information in children's centres and advertising in My Merton. Similarly when Public Health England held a MMR top up campaign aimed at older children the public health team supported this locally.

Early Years

62. The Stakeholder event highlighted the significant opportunities to embed immunisations messages within the early year's services. A representative from a local nursery told the task group that immunisation information was not widely available at their local nursery and people were not asked about the vaccinations registration forms. The task group were told that early years is the most challenging area to co-ordinate immunisations.
63. Task group members felt that information should be made available in nurseries and children's centres: including information introductory pack at nursery, letter in all reception and nursery starter packs.
64. Some task group members asked if the government had considered making immunisations as an essential requirement for entrance into primary school to help prevent the spread of infection. Public Health England, highlighted this is a discussion to be held at the national level however in United States where immunisations are mandatory, the take up rates are similar to ours in the UK.
65. Task group members also considered the role schools play in determining immunisation history. They were told that the London Borough of Sutton send a letter to parents asking them to ensure they are up to date with immunisations before starting school. Task Group members felt that a similar approach should be adopted in Merton.

Recommendation

8. Public health team to ensure that information on immunisations will be part of school entry packs and asked within the school entry health review, using the review as an opportunity to identify those unimmunised, promote immunisations uptake and signpost to child's GP.

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Committee: Cabinet

Date: 19 October 2015

Wards: All

Subject: South London Waste Partnership Phase C Inter-Authority Agreement

Lead officer: Cormac Stokes, Head of Street Scene and Waste

Lead member: Councillor Judy Saunders, Cabinet Member for Environmental Cleanliness and Parking

Councillor Andrew Judge, Cabinet Member for Environmental Sustainability and Regeneration

Contact officer: Cormac Stokes. cormac.stokes@merton.gov.uk

Recommendations:

- A. For Cabinet to note the final form of the proposed inter-Authority Agreement between the four South London Waste Partnership (SLWP) boroughs to cover the procurement phase (Phase C) of the South London Waste Collection and Environmental Services Projects; and
- B. For Cabinet to delegate authority to the Director of Environment and Regeneration in consultation with the relevant Cabinet Members and the Head of Legal to authorise the execution of the Inter-Authority Agreement in accordance with the details contained in this Report and the form of the Agreement hereto appended.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report sets out the need for a new inter-authority agreement (IAA) between the four SLWP partner boroughs to cover the procurement phase of the South London Waste Collection and Environmental Services Projects (Phase C).
- 1.2. The report seeks approval to agree the final draft of the IAA

2 DETAILS

- 2.1. The four boroughs of the South London Waste Partnership have been working together on joint waste management projects since 2003/2004. As part of its initial Phase A procurement project covering the haulage, landfill, waste treatment, recyclate processing and organic waste treatment, the partnership established a Joint Waste Committee to oversee and manage the waste disposal functions on behalf of the partner boroughs. This existing relationship is underpinned by an existing Inter-Authority Agreement.
- 2.2. Those functions delegated to the Joint Waste Committee cover waste disposal functions only, including procurement and contract management and do not cover the range of services contained within the scope of the existing Phase C procurement project.

- 2.3. At its meeting of 10 November 2014, Cabinet resolved to agree the proposal to jointly procure through London Borough of Croydon a range of services as part of the South London Waste Partnership, using the competitive dialogue procurement route. These services included waste collection, street cleaning, commercial waste, winter maintenance, fleet management (Lot 1) and parks and open spaces (Lot 2).
- 2.4. Cabinet further resolved to delegate authority to the Chair of the SLWP Management Group in consultation with the Management Group, Strategic Steering Group, the SLWP Legal Lead and members of the Joint Waste Committee to deselect bidders and agree the specification at each stage up to and including the invitation to submit final tender and agreed to receive a report in spring 2016 recommending Preferred Bidder and subject to approval, recommend that the London Borough of Croydon, as lead procuring authority, award the contract.
- 2.5. On the basis that this procurement is not covered by an existing IAA a new agreement is required. The proposed IAA is based on established principles within existing IAA but is specific to the joint procurement activities for the Phase C project. The joint procurement is not being carried out by the SLWP directly with governance oversight from the Joint Waste Committee but it is utilising the skills, knowledge, experience and established relationships that has come from the SLWP.
- 2.6. The proposed IAA formally evidences by way of a Deed the principles agreed via a signed letter by the Chief Executives of the four partner boroughs dated 26 January 2015. The principles set out in this letter provided assurances to the boroughs and enabled them to proceed with the publication of the OJEU Notice on 27 January 2015.
- 2.7. The principles set out in this letter have been reflected in the proposed IAA for the Phase C project. Overall the principles remain consistent with existing IAA and the joint letter of the Chief Executives of January 2015. Set out below are the key elements of the proposed agreement:
- The London Borough of Croydon will act as the procuring authority
 - Each of the boroughs agree to indemnify others in the event of their withdrawal from the procurement phase.
 - The partner boroughs will share equally (25% each) the costs of the procurement.
 - The partner boroughs will commit as far as practicable and reasonable sufficient resources required to deliver the project.
 - Any depots made available by the partner boroughs will be for the duration of the contract.
 - Revised governance arrangements that ensure robust decision-making at the most senior officer level with the partner councils.
- 2.8. The Chair of the Management Group in consulting with the Strategic Steering Group in accordance with the authority delegated by individual

borough Executives / Committees will be bound by the decision and recommendation of the Strategic Steering Group.

- 2.9. The Strategic Steering Group is made up of the Directors / Executive Directors with responsibility for Environment within each of the partner Authorities. The Group chaired by one of the Chief Executives on a rotating basis based on the model adopted by the South West London Partnership with regards the Initial Agreements. The Strategic Steering Group's role is to ensure that senior officers in the Authorities oversee the deselection process and the specification as it develops at each stage of the competitive dialogue procedure up to and including the invitation to submit a final tender.
- 2.10. Whilst the individual members of the Joint Waste Committee should be consulted at each stage of the de-selection process and each of the partner Authorities will require formal Executive / Committee approval to award the contract (in summer 2016) the proposed governance arrangements will also provide an endorsement from the Members of the Joint Waste Committee in advance of any individual borough decision.
- 2.11. It should be noted that the proposed IAA covers the procurement phase up to and including contract award. A further iteration will be required setting out the arrangements required for the service phase of the contract, setting out ongoing governance and contract management arrangements. This will be required in advance of contract commencement which is due in April 2017.

3 ALTERNATIVE OPTIONS

- 3.1. There are no alternative options. Not signing up to an Inter-Authority Agreement between the partner boroughs to cover the procurement phase would leave the council exposed to financial risk should any of the other boroughs wish to withdraw from the project.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None specific for the purpose of this report.

5 TIMETABLE

- 5.1. The procurement project is expected to be completed by December 2016 when it is anticipated the contract will be awarded to the successful bidder. The contract will commence on 1 April 2017.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. There are no additional financial implications relating to the proposed new IAA. Any financial exposure relating to the procurement project is covered and implicitly agreed within the body of the IAA

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. As stated in the main body of this report this Inter Authority Agreement ("IAA") relates to a joint procurement being carried out by the four council who are also members of the South London Waste Partnership. The lead Authority is Croydon.
- 7.2. The joint procurement for Lots 1 and 2 is being carried out in pursuance of the Council's powers under section 101(5) and 101(5B) and section 102 Local Government Act 1972, section 20 Local Government Act 2000 as

amended by the Local Authorities (Arrangements for the Discharge of Functions) (England) (Amendment) Regulations 2001, the Local Authorities (Goods and Services) Act 1970, sections 1 to 8 of the Localism Act 2011 and all other relevant enabling powers.

- 7.3. A second IAA will be required with regards contract management prior to the four councils entering into a contract for the two lots.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix 1: Phase C Inter-Authority Agreement

12 BACKGROUND PAPERS

- 12.1. None

Royal Borough of Kingston upon Thames

and

London Borough of Sutton

and

London Borough of Merton

and

London Borough of Croydon

Inter Authority Joint Working Agreement
For the Procurement of the South London Waste Collection and
Environmental Services Projects (Phase C)

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THIS AGREEMENT is made this day of
2015

BETWEEN

- (1) **London Borough of Croydon** of Bernard Weatherill House, Mint Walk, Croydon, CR0 1EA ("Croydon")
- (2) **Royal Borough of Kingston upon Thames** of High Street, Kingston upon Thames, KT1 1EU ("Kingston")
- (3) **London Borough of Merton** of Civic Centre, London Road, Morden, SM4 5DX ("Merton")
- (4) **London Borough of Sutton** of Civic Offices, St. Nicholas Way, Sutton, SM1 1EA ("Sutton")

Together referred to as the "**Authorities**"

WHEREAS :

- (A) The South London Waste Partnership (the "Partnership") was formed between the London Boroughs of Croydon, Merton and Sutton and the Royal Borough of Kingston upon Thames in pursuance of arrangements made under sections 101 (5) and 101 (5B) and 102 Local Government Act 1972, section 20 Local Government Act 2000 as amended by Local Authorities (Arrangements for the Discharge of Functions) (England) (Amendment) Regulations 2001, the Local Authorities (Goods and Services) Act 1970, and all other relevant enabling powers at the time.
- (B) The Partnership was initially formed to provide improved waste transport, transfer and disposal services and meet the Landfill Allowance Trading Scheme (LATS) targets of the Authorities
- (C) The Authorities who form the Partnership have decided to use the skills and Council officers' experience gained from previous procurements and the relationships established within the Partnership to jointly procure:
 - (i) Waste Collection, Recyclate Material Sales, Street Cleaning, Commercial Waste, Winter Maintenance, Fleet Management and Maintenance, ("Lot 1").
 - (ii) Parks, Grounds Maintenance and related services for Sutton and Merton, though Croydon and Kingston may elect to join the contract at a later date ("Lot 2").

- (D) The Authorities have agreed that this Project and the joint procurement of Lot 1 and Lot 2 is in the best interests of all Authorities in terms of economy, efficiency and effectiveness.
- (E) This Project will be known as The South London Waste Collection and Environmental Services (Phase C) Project and is not a procurement exercise that fell initially within the Partnerships' agreed objectives and purpose under the Inter Authority Agreement dated the 26th August 2008 ("First Agreement") or the Inter Authority Agreement dated 23 February 2011 ("Second Agreement"), which will be referred to within this Agreement as the Initial Agreements).
- (F) The Procurement is being carried out in pursuance of sections 101 (5) and 101 (5B) and 102 Local Government Act 1972, section 20 Local Government Act 2000 as amended by Local Authorities (Arrangements for the Discharge of Functions) (England) (Amendment) Regulations 2001, the Local Authorities (Goods and Services) Act 1970, Section 1 to 8 Localism Act 2011 and all other relevant enabling powers.
- (G) Croydon has agreed to be the Lead Authority for the purpose of procuring and entering into the proposed Project's Contract(s) on behalf of the Authorities subject to each of the Authorities entering into this Agreement.
- (H) By entering into this Agreement, the other Authorities (which in this clause shall mean Kingston, Merton and Sutton) confirm that they have agreed to delegate to Croydon the function of entering into the proposed Project Contract(s) as the Lead Authority and thereafter continuing to act in any associated matter requiring legal personality in respect thereof.
- (I) A contract notice issued in the Official Journal of the European Union on the 27 January 2015 under reference no. **2015/s 022-036099** defines the nature and extent of the Project's contracts and a copy of this notice is attached as Appendix 'A' (the "Projects Contract(s)")
- (J) A second Inter Authority Agreement under Phase C will be entered into by the Lead Authority and the other Authorities after the procurement covered by this Agreement has been completed with regards entering the Contracts and the managing of the contracts to secure the most effective, economic and efficient discharge of the services under Lot 1 and Lot 2.
- (K) For the sake of clarity it is confirmed that the Initial Agreements and their provisions shall continue in full force and effect unchanged by this Agreement.

IT IS HEREBY AGREED AS FOLLOWS :-

1 **Interpretation**

1.1 In this Agreement unless the context otherwise requires the following expressions have the following meanings-

“ Agreement” means this Agreement comprising the terms and conditions together with the Schedules and Appendices attached hereto

“Authority Lead Officers” means those officers of the Authorities involved in the Project in accordance with Clause 8

“The Commencement Date” means the date on which this Agreement is executed by the Authorities

Committees means the committees of Sutton and/or Kingston as defined by Sections 101 and 102 of the Local Government Act 1972.

“The Contracts” means the contracts which are procured under this Agreement under Lots 1 and 2

“The Contractor” means the contractor(s) appointed by the Authorities to under Lot 1 and 2

“Council Premises” means any property owned or leased or otherwise in the possession of a relevant Authority consisting of offices, buildings and land, which are used by the Contractor, whether exclusively or together with the relevant Authority or others, for the performance of the Services, and for the avoidance of doubt includes the transfer stations.

“Executives” mean the executives of Merton and/or Croydon as defined in Part II of the Local Government Act 2000

“The Lead Authority” means the London Borough of Croydon

“Loss” includes any loss and liability, save any costs associated with loss of opportunity or loss of projected savings, directly suffered by the Authorities together or any one Authority with any damage, expense, liability or costs reasonably incurred in contesting any claim to liability and quantifying such loss and liability

“

“The Officers” means the Authorities’ staff tasked with working on the Project

“Partnership” means the South London Waste Partnership which is formed between the London Boroughs of Croydon, Merton and Sutton, and the Royal Borough of Kingston Upon Thames.

“Procurement” means the procurement of the Contracts, and “the Procurement Phase” means that phase of the Project which relates to the procurement of the Contracts

“Project” for the purposes of this Agreement means the shared object of the Authorities to secure the procurement of Contractors to fulfill the Contracts under Lot 1 and Lot 2.

“The Procurement Cost Allocation Scheme” mean the principles and arrangements set out in Schedule A for determining the allocation of costs arising in the Procurement of the Contracts under Lots 1 and 2

“Service Phase” means the phase of the project related to the management of the contracts.

“Working Day” means any day on which the Authority’s offices are normally open for business

1.2 Reference to any statute or statutory provisions includes a reference to that statute or statutory provisions as from time to time amended extended or re-enacted.

1.3 Words importing the singular include the plural words importing any gender include every gender, the words importing persons include bodies corporate and unincorporated: and (in each case) vice versa.

1.4 Reference to Clauses and Schedules are references to clauses and schedules of this Agreement and any reference to a sub provision is unless otherwise stated a reference to a sub provision of the provision in which the reference appears.

1.5 The Clause and paragraph headings and titles appearing in this Agreement are for reference only and shall not affect its construction or interpretation.

2 TERM

2.1 This agreement shall come into effect from [XXXX] and shall continue in force in respect of the Authorities unless terminated by unanimous agreement of the Authorities who shall in reaching such agreement also agree the timescale for termination. On the second Inter

Authority Agreement referred to above in (J) this Agreement will terminate and any clauses of this Agreement that will remain in existence after the termination will be identified in the second Inter Authority Agreement.

3. General principles

- 3.1 This Agreement has been entered into by the Authorities to establish and effect provisions for performance of the Procurement Phase of the Project and to clarify the Authorities' responsibilities in respect thereof of each other.
- 3.2 The Authorities will work together in partnership and in an open, co-operative and collaborative manner for the duration of this Agreement. The Authorities will work together in order to endeavour to procure the successful implementation of the Project and each will respond in a timely manner to all relevant requests from the other Authorities.
- 3.3. Each of the Authorities hereby represents to the other that it has obtained all necessary consent sufficient to ensure the delegation of functions provided for by this Agreement for the purposes of the Project.
- 3.4 The Authorities shall use all reasonable endeavours to procure that their respective officers who are involved in the project shall at all times act in the best interests of the Project. The Authorities expressly acknowledge that they in carrying out activities under this Agreement or otherwise in connection with the Project shall use all reasonable endeavours to act in the long term best interests of the Project to secure the most effective, economical and efficient outcome for all of the Authorities, and the Authorities hereby authorise their officers to act in such a way.
- 3.5 The Authorities shall also use all reasonable endeavours to make available resources within their respective organisations to enable the procurement project to progress. The Parties will agree which resources are necessary as and when the need arises.
- 3.6 The Authorities commit to share data and knowledge relevant to the Project where appropriate and in accordance with the Data Protection Act 1998.
- 3.7 The Authorities shall review the terms of this Agreement where necessary. Any changes to the terms shall only be made by unanimous agreement between the Authorities and shall be recorded in writing and signed by all the Authorities. Changes shall take effect upon signing and continue in force until any further agreement.
- 3.8 The authorities agree for the avoidance of all doubt that the rights and liabilities in the Contracts are unless the context otherwise dictates

jointly shared and where any apportionment is required this shall be done in accordance with the principles that have been adopted under this Agreement.

4 STATUS OF THE AGREEMENT

- 4.1 The Authorities agree that the Agreement shall take the form of a legally binding relationship and mutual commitments between them created by the Agreement shall from the date hereof be construed accordingly.

5. PROJECT OBJECTIVES

The objectives of the Project are as follows:

- To target at least 10% savings on the costs of service provision through lower service costs and recycle revenues;
- To deliver residents a high performing service, achieving high levels of customer satisfaction;
- To provide improved environmental and carbon outcomes in the way we deliver environmental services;
- The date of commencement of the contracts for both lots to be no later than 1st April 2017.

6. GOVERNANCE

- 6.1 The Authorities' Executive or Committee will make those decisions with regards this Project which have been delegated to them in their respective Constitutions
- 6.2 The Strategic Steering Group is made up of the Directors / Executive Directors with responsibility for Environment within each Authority. The meetings are chaired by one of the Chief Executives on a rotating basis based on the model adopted by the South Waste London Partnership with regards the Initial Agreements. For the purposes of this Clause 6, the Strategic Steering Group's role is to ensure that senior officers in the Authorities oversee the deselection process and the specification as it develops at each stage of the competitive dialogue procedure up to an including the invitation to submit a final tender.
- 6.3 The Authorities' Executive or Committee have each respectively delegated authority to the Chair of Management Group in consultation with the Management Group, Strategic Steering Group, the SWLP Legal Lead and members of the Joint Waste Committee to deselect bidders and agree the specification at each stage of the competitive dialogue procedure up to an including the invitation to submit a final tender.

- 6.4 The Chair of the Management Group in consulting under Clause 6.2 with the Strategic Steering Group will be bound by the decision and recommendation of the Strategic Steering Group.

7. AUTHORITY LEAD OFFICERS

- 7.1 Each Authority shall from time to time appoint one of its officers to be the Authority Lead Officer.
- 7.2 Each Authority Lead Officer shall be responsible for liaising with the Chair of the Management Group and for ensuring that his/her Authority provides the support necessary to secure the effective achievement of the Project. In this context, “support” shall include the involvement and time of capable officers, the provision of information and the prompt consideration of matters referred to his/her Authority for determination.

8. OFFICER LIABILITY AND INDEMNITIES

- 8.1 When working on the Project, officers shall be deemed to be working on behalf of both their employing Authority, and made available and working on behalf of the other Authorities under Section 113 of the Local Government Act 1972.
- 8.2 In consequence of Clause 9.1 above, officers shall be treated as falling within the statutory immunity provided by section 265 of the Public Health Act 1875, as amended, in respect of their actions or omissions in respect of the Project.
- 8.3 Losses to each Authority
- 8.3.1 No Authority shall have any liability to the other Authorities unless specifically provided for under this Agreement in respect of any Loss which that Authority may suffer as a consequence of any action or omission by any Officer, whilst working on the Project.

9 INSURANCE

- 9.1 Each Authority shall obtain and maintain throughout the term of this Agreement insurance sufficient to cover all of their obligations under this Agreement . Each Authority shall indemnify the others against loss sustained as a result of a breach of this clause.

10 KEY SITES

- 10.1 Each Authority has agreed the depots (“the Depots”) that it will make available within its own Council area which it owns (on a freehold basis) or over which it has a long lease (which for the purposes of this

Clause 10 shall mean a period of 21 years or over) and which are suitable for the purposes of carrying out the Services under the contracts entered into under the Project.

- 10.2 As at the Commencement Date of this Agreement the Depots shall be those identified in the table in Schedule B.

11 LEAD AUTHORITY ROLE AND INDEMNITIES

- 11.1 The other Authorities (which in this clause shall mean Merton, Sutton and Kingston) have agreed to delegate to the London Borough of Croydon ("Croydon") the authority to enter into the procurement of contracts under Lot 1 and Lot 2 as Lead Authority and continuing to act as the Lead Authority in any associated matter requiring legal personality.
- 11.2 The other Authorities have authorised Croydon to warrant that Croydon has the authority to enter into the Contracts under this Project for itself and for and on behalf of the Authorities.
- 11.3 The other Authorities agree that in relation to this Agreement:
- 11.3.1 In the event that an Authority withdraws from a procurement which falls under this Agreement, the withdrawing Authority will indemnify the other Authorities of the costs of the procurement incurred from the publication of the OJEU notice to the date of the procurement exercise being abandoned but for the avoidance of doubt shall not include any costs associated with loss of opportunity or loss of projected savings.
- 11.3.2 If the withdrawal of an Authority does not result in the procurement failing, the withdrawing authority will be liable for one-quarter of the total procurement costs.
- 11.3.3 If the actions of the withdrawing Authority results in a bidder(s) becoming entitled to compensation or where legal proceedings are issued by bidder(s), the withdrawing Authority will be liable to meet the bidder's costs to the extent and degree that the withdrawing Authority is the cause of the compensation claim or costs resulting from the issue of legal proceedings.
- 11.3.4 Where an Authority withdraws from the procurement, and the other Authorities agree to continue but subsequently, at the discretion of the remaining parties, no award of contract is made, the Authority who had withdrawn would not be liable for

the full procurement costs and will be solely liable for one-quarter of the total procurement costs.

11.3.4 Save with regards 11.3.2 and 11.3.3, if any proceedings or claims are instituted against any of the Authorities arising out of the procurement entered into under this Project then then the costs of defending the proceedings or claims and the payment of any damages or settlement arising out of the proceedings or claims shall be shared equally between the Authorities provided that the claim is not solely attributable to the actions or omissions of the Authority against whom the claim has been made and that the Authority against whom the proceedings or claims have been instituted consults and notifies the other Authorities in the defending the proceedings or claims.

11.3.5 Any such action will be taken by Croydon alone for and on behalf of the other Authorities unless otherwise agreed between the Authorities acting unanimously;

11.4 The other Authorities indemnify Croydon against any Loss they may suffer as a result of conducting the procurement in accordance with this Agreement, but only to the extent that the Loss was occasioned by an act or omission by the indemnifying Authority in respect of the Project. The indemnity shall only cover any Loss sustained by Croydon arising out of any other Authority's actions or omissions in respect of the Project.

11.5 Croydon shall indemnify the other Authorities against any Loss occasioned as a result of Croydon's actions or omissions as Lead Authority in respect of this Project.

11.6 Where Loss is occasioned as a result of conducting the procurement in accordance with this Agreement, but the Loss is not attributable by an act or omission of any of the Authorities party to this Agreement, the Loss will be shared equally amongst the Parties.

11.6 Any Authority seeking indemnity from another Authority under this Agreement shall:

11.6.1 promptly notify the indemnifying Authority of known circumstances giving rise to such claim;

11.6.2 not admit, compromise or settle any claim without the consent of the indemnifying Authority except where such consent would be unreasonable in the circumstances of the case;

11.6.3 take reasonable steps to mitigate any claim for which an indemnity may be sought.

11.7 The other Authorities agree to cooperate with Croydon as required to enable them to fulfil their role as Lead Authority.

11.8 Nothing in this Clause shall require any Authority to indemnify any other Authority for Loss occasioned by the claiming Authority as a result of that claiming Authority's negligent acts or omissions.

12 INTELLECTUAL PROPERTY

12.1 All intellectual property in any material created by or on behalf of the Project during the Procurement Phase shall be owned jointly by the Authorities and shall be available equally to each Authority.

12.2 Each Authority warrants that any intellectual property created by its officers for the purposes of this Project will not infringe any third party's intellectual property rights.

12.3 Each Authority shall indemnify the other Authorities against any Loss arising out of any dispute or proceedings brought by a third party alleging infringement of its intellectual property rights by use of the first Authority's intellectual property for the purpose of the Project.

12.4 Each Authority hereby authorises the other Authorities to use its logo on documents and signage relating to this Project for such period as this Agreement remains in force and subject always to any Communications protocols or strategies agreed between the Authorities.

13 PROJECT COSTS/BENEFIT PRINCIPLE, COST ALLOCATION AND PAYMENTS

13.1 Save for 13.2, each Authority shall share 25% of the costs reasonably incurred in respect of the Procurement Phase of the Project under this Agreement.

13.2 Croydon will be invoiced by the external legal advisors for costs incurred by them and Croydon will recover from the Authorities their share of the bill through the mechanism in clause 13.3.

13.3 Merton, Kingston and Sutton ("the other Authorities") shall pay to Croydon their share of the Procurement Costs on receipt of invoices to be paid 30 days thereafter.

- 13.4 Where additional resources, which have been agreed between the Parties, are provided by an Authority, which is not the Lead Authority, for the purposes of carrying out the procurement under this Agreement, the Authority will invoice the other Authorities to be paid 28 days after receipt of the invoice. As in 13.1 each Authority will be responsible for 25% of the cost of providing the additional resources described in this clause 13.4.

14 REMEDIATION

- 14.1 At any time the Chief Executive of any Authority ("the First Authority") may serve on the Chief Executive of the other Authority ("the Second Authority") a "Default Notice", alleging that that Authority has failed to comply with its obligations under this Agreement, setting out any suggested remedial action and any damage which the first Authority has or is likely to suffer as a result of the alleged failure. Any such Default Notice shall be copied to all other Authorities at the time of service.
- 14.2 An Authority in receipt of a Default Notice shall have 14 days within which to serve on the Chief Executive of the First Authority who served the Default Notice a "Counternotice", setting out in respect of every matter contained in the Default Notice proposals for the remediation of the alleged failure and making good any loss which the First Authority may have suffered or may suffer as a result of the failure or the reasons why that alleged failure is disputed. Any such Counternotice shall be copied to all other Authorities at the time of service.
- 14.3 Within 14 days of receipt of a Counternotice, the Chief Executive of the First Authority shall send to the Chief Executive of the Second Authority a "Notice of Acceptance" of any proposals contained in the Counternotice in so far as those proposals are accepted by the First Authority, and may send a "Notice of Dispute" in so far as no proposal satisfactory to the First Authority is contained in the Counternotice, setting out in respect of each proposal which is not accepted by the First Authority why it is considered to be unacceptable.
- 14.4 Where any proposal in a Remediation Notice is accepted in a Notice of Acceptance, the Second Authority shall implement that proposal.
- 14.5 Where any matter is contained in a Dispute Notice, it shall fall to be dealt with under the Disputes Procedure set out in Clause 20.

15 Withdrawal and Consequences

- 15.1 Each Authority acknowledges that, if it withdraws after the signing of The Contracts, that withdrawal is likely to cause additional cost to the other Authorities including, but not limited to, any claims which the Contractor may have against the Authorities as a result of the failure on the part of the Authorities to comply with The Contracts, the cost to the other Authorities of procuring a new contract with a third party or of negotiating a new or renegotiated Contract with the Contractor, the loss to the other Authorities of the use of the Contractor's facilities during this process, with the result that the other Authorities may incur additional costs, any additional cost incurred as a result of there being fewer Authorities who are parties to The Contracts. . In the event that an Authority withdraws after the signing of The Contracts, the withdrawing Authority will indemnify the other Authorities with regards costs, including abortive procurement costs, incurred as a result of the withdrawal but for the avoidance of doubt shall not include any costs associated with loss of opportunity or loss of projected savings.
- 15.2 Each Authority agrees that in the event that it gives notice of withdrawal (such notice to be in writing to each Authority) to the other Authorities, during the procurement phase then 11.3 will apply or in the Service Phase then 15.1 will apply.
- 15.3 Where any Authority withdraws from this Agreement –
- The obligations of that Authority in respect of the furtherance of the Project shall cease on such withdrawal;
 - The Agreement shall continue in force as respect any financial liabilities which have arisen or may arise out of the performance of this Agreement; The Agreement shall remain in force in respect of any liability of any Authority to indemnify the other Authorities under this Clause of the Agreement; and
 - The Disputes Procedure set out in Clause 20 of this Agreement shall remain in force in respect of any of the matters arising from the performance of or withdrawal of either Authority under this Agreement.

16 Variation

- 16.1 The Authorities may vary the terms of this Agreement subject to Clause 3.6 including admitting additional Councils to participate in the Project, the terms of such admission to be agreed by the Authorities.

- 16.2 Where an additional Council is admitted to participating in the Project it shall enter into a Deed of Variation in a form agreed by its Executive or Committee and from the date of its admittance to the Project all provisions of this Agreement shall apply to the admitted Council and the definition of “Authorities” shall include it.

17 CONFIDENTIAL INFORMATION

- 17.1 Subject to Clause 18 and 19, the Authorities shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees agents consultants and sub-contractors shall keep confidential) all Confidential Information concerning the Project or the business and affairs of the other Authorities which may now or at any time hereafter be in its possession and shall not disclose it except with the consent of the other Authorities, such consent not to be unreasonably withheld.
- 17.2 For the purposes of this Agreement “Confidential Information” means any information imparted to any Authority or their employees agents consultants or sub-contractors (“the Receiving Party”) which was imparted to the Receiving Party on the basis that it is to be kept confidential or would be by its nature normally be regarded as being confidential or to the knowledge of the Receiving Party which was obtained by the other Authorities on the basis that it was kept confidential or is of commercial value in relation to the Project but shall not include any information which is for the time being in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party.
- 17.3 This Clause 17 shall continue without limit of time and shall survive the termination of this Agreement.
- 17.4 This Clause 17 shall not prevent the disclosure of any Confidential Information relating to the Project which is reasonably disclosed for the furtherance of the Project or the promotion of the Project provided that the Authority or person disclosing the information takes all steps that are commercially practicable to preserve the confidentiality of the information and shall not prevent the disclosure of any Confidential Information where required by law.

18 COMPLIANCE WITH LAWS

- 18.1 The Authorities shall at all times comply with all laws including but not limited to the Data Protection Act 1998 and will, where appropriate maintain a valid and up to date registration or notification under such Laws.

- 18.2 Each Authority shall indemnify and keep indemnified the other Authorities against all losses, claims, damages, liabilities, costs and expenses (including reasonable legal costs) incurred by the other Authorities in respect of any breach of this Clause by the Authority and/or any act or omission of any sub-contractor.
- 18.3 Each Authority shall grant to the other Authorities the right of reasonable access to all records of Personal Data relevant to the Project, as defined and as permitted in the Data Protection Act 1998, and shall provide reasonable assistance at all times during the currency of this Agreement to ensure the quality and security of data collected.

19 FREEDOM OF INFORMATION

- 19.1 Each Authority acknowledges that the other Authorities are subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and each Authority shall where reasonable assist and co-operate with the other Authorities (at their own expense) to enable the other Authorities to comply with these information disclosure obligations.
- 19.2 Where an Authority receives a request for information under either the Freedom of information Act 2000 or the Environmental Information Regulations 2004 in relation to information which it is holding on behalf of any of the other Authorities in relation to the Project, it shall:
- 19.2.1 transfer the request for information to the relevant other Authority as soon as practicable after receipt and in any event within two Working Days of receiving a request for information;
 - 19.2.2 provide the relevant other Authority with a copy of all information in its possession or power in the form that the Authority requires within ten Working Days (or such longer period as the Authority may specify) of the Authority requesting that information; and
 - 19.2.3 provide all necessary assistance as reasonably requested by the other Authority to enable that Authority to respond to a request for information within the time for compliance set out in the FOIA or the EIR.

20 DISPUTE RESOLUTION

- 20.1 In the event of a dispute which cannot be resolved by the Authorities, the issue shall, before any other remedy is sought (including arbitration or legal proceedings) be referred to a meeting of the four Chief Executives and the Leaders of the Authorities.
- 20.2 For the purposes of clause 20.1 above a “dispute” shall mean a situation where one or more of the Authorities has a fundamental

objection to a matter arising out of in particular the Procurement Phase and/or the Project generally and would seek to exercise a veto on the matter.

- 20.3 An Authority wishing to invoke the dispute process must notify the Lead Officers of the other Authorities and if such notice is given, the other Authorities shall not be entitled to take a decision on that matter for 21 days (or such other time as agreed between the Authorities) to enable the meeting referred to in clause 20.1 during which the Authority which has invoked the dispute process must prepare a summary and analysis in writing of their council's reasons for their fundamental concern with the matter they have raised.
- 20.4 An urgent meeting of the four Chief Executives and Leaders of the Authorities shall be convened within the 21 day period (or such time has been agreed between the Authorities) to discuss the issue and to seek to resolve it. The meeting when considering the issues will seek to achieve the objectives of the Project as set out in this Agreement.
- 20.5 Upon service of a Notice of Dispute the Authorities will attempt to settle the issue in dispute ("Dispute") by mediation in accordance with the Centre for Dispute Resolution ("CEDR") Model Mediation Procedure or any other model mediation procedure as agreed by the Authorities. To initiate a mediation, any Authority may give notice in writing (a "Mediation Notice") to the others requesting mediation of the Dispute and shall send a copy thereof to CEDR or an equivalent mediation organisation as agreed by the Authorities, asking them to nominate a mediator. The mediation shall commence within twenty (20) Working Days of the Mediation Notice being served. If there is any point in respect of the conduct of the mediation upon which the Authorities are unable to agree within ten (10) Working Days from the date of the Mediation Notice, CEDR will, at the request of any Authority, decide that point for the Authorities, having consulted with them. The Authorities will co-operate with any person appointed as mediator providing him/her with such information and other assistance as he shall require and will pay his costs as he shall determine or, in the absence of such determination, such costs will be shared equally.
- 20.6 No Authority may commence any court proceedings in relation to any Dispute until they have attempted to settle it by mediation under Clauses 20.1 to 20.5 and/or such mediation has terminated. The Authorities will take no further steps in the court proceedings until any such mediation commenced under Clauses 20.1 to 20.5 has terminated. Nothing in this Clause 20 shall prevent an Authority from having recourse to a court of competent jurisdiction for the sole purpose of seeking a preliminary injunction or such other provisional judicial relief as it considers necessary to avoid irreparable damage.

- 20.7 If the Dispute has not been resolved by the mediation procedure detailed in Clauses 20.1 to 20.5 within one (1) month of the initiation of such procedure, the Dispute shall be referred to the courts for resolution.

21 SEVERANCE

- 21.1 If any condition, provision or Clause of this Agreement shall become or shall be declared by any Court of competent jurisdiction to be void, invalid, illegal or unenforceable in any way, such invalidity or unenforceability shall in no way impair or affect any other provision all of which shall remain in full force and effect.

22. ENTIRE AGREEMENT

- 22.1 This Agreement constitutes the entire agreement and understanding of the Authorities and supersedes any previous agreement between the Authorities relating to the subject matter of this Agreement.

23 WAIVER

- 23.1 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.
- 23.2 A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement. A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement will not prevent an Authority from subsequently requiring compliance with the waived obligation.

24 GENERAL

- 24.1 Nothing contained or implied herein shall prejudice or affect the Authorities' rights and powers duties and obligations in the exercise of their functions as Local Authorities and/or in any other capacity and all rights powers discretions duties and obligations of the Authorities under all Laws may at all times be fully and effectually exercised as if the Authorities were not party to this Agreement and as if this Agreement had not been made.
- 24.2 The Authorities shall only represent themselves as being an agent partner or employee of any other Authority to the extent specified by this Agreement and shall not hold themselves out as such nor as having any power or Authority to incur any obligation of any nature express or implied on behalf of any other Authority except to the extent specified in this Agreement.

- 24.3 This Agreement shall be governed by and construed in accordance with English Law and shall be subject to the jurisdiction of the Courts of England.
- 24.4 This Agreement is personal to the Authorities and no Authority shall assign transfer or purport to assign or transfer to any other persons any of its rights or sub-contract any of its obligations under this Agreement.
- 24.5 No person other than the Authorities shall be entitled to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
- 24.6 Any notice required or permitted to be given by an Authority to the other Authority under this Agreement shall be in writing and addressed to the Chief Executive of the other Authority at its principal office.

IN WITNESS hereof the parties hereto have executed this Agreement as a Deed the day and year first written

The Common Seal of the Mayor and Burgesses of the
Royal Borough of Kingston upon Thames
was hereto affixed in the presence of

Mayor

Head of Legal Services

The Common Seal of the Mayor and Burgesses of the
London Borough of Croydon
was affixed hereto in the presence of

authorised signatory for and on behalf of Croydon

The Common Seal of the Mayor and Burgesses of the
London Borough of Merton
was affixed hereto in the presence of

authorised signatory for and on behalf of Merton

The Common Seal of the Mayor and Burgesses of the
London Borough of Sutton
was affixed hereto in the presence of

authorised signatory for and on behalf of Sutton

Schedule A

Procurement Cost Allocation

- 1 The Principle shall be that the costs of undertaking the Procurement Phase of the Project shall be shared equally between the Authorities.
- 2 For this purpose the costs of undertaking the Procurement Phase” (“Procurement Costs”) shall comprise: external legal advice, financial advice (including insurance advice), project and procurement advice and technical advice which has been commissioned and approved by the Authorities.
- 3 For this purpose, the Procurement Costs shall not include:
Costs incurred by an Authority which are specific to its own services.
- 4 Each Authority shall be responsible for securing that any Procurement Costs incurred by that Authority are notified to the Strategic Partnership Manager.
- 5 The Strategic Partnership Manager shall be responsible for –

- 5.1 Receiving all notifications of claimed Procurement Costs and confirming that such Costs have been properly incurred for the purpose of this Schedule
- 5.2 Maintaining a record of all such accepted claims for Procurement Costs and calculating any payment required from one Authority to the other to achieve the principle set out in Paragraph 1 above
- 5.3 Providing each Authority with a monthly statement of Procurement Cost expenditure for the Procurement Phase of the Project by the Authorities, including a statement of the payment ("Equalisation Payment") required to be made by either Authority to achieve the Principle set out in Paragraph 1 above.
- 6 Within 30 days of receipt of a statement from the Chair of the Management Group to the Strategic Steering Group, each Authority shall make any Equalisation Payment to the other Authority as set out in that statement.

Schedule B

SITES AND PREMISES INCLUDING DEPOTS AVAILABLE TO THE PROJECT

A. **Croydon**

- i. Stubbs Mead Depot, West Croydon CR0 3RL;

B. **Kingston**

- i. Villiers Road Depot, Chapel Mill Road (off Villiers Road), Kingston upon Thames KT1 3GZ;

C. **Merton**

- i. Garth Road, 63-69 Amenity Way, off Garth Road, Morden SM4 4X;
- ii. Hillcross Depot, Between 183-185 Hillcross Avenue, Morden, SM4 4AZ
- iii. Abbey Recreation Ground – Nursery Road, SW19 3BP

- iv. Cannizaro Park, Camp Road, Wimbledon, SW19
- v. Cannon's House/Recreation Ground – Madeira Road, Mitcham, CR4
- vi. Haydon's Road Rec, Haydons Road, Wimbledon, SW19 1ES
- vii. John Innes Park – Mostyn Road, Morden, SW20 9AE
- viii. Joseph Hood Recreation – Martin Way, Morden, SW20 9BX

D. Sutton

- i. Therapia Lane, Beddington, Surrey, CRO 4TN
- ii. Cheam Park, Tudor Close, Surrey, SM3 8QS
- iii. Wrythe Lane Depot, 232-234, Wrythe Lane, Carshalton, Surrey, SM5 1TX
- iv. Manor Park, Throwley Way, Sutton, SM1 4AF
- v. The Grove Park, High St, Carshalton, SM5 3AL
- vi. Beddington Park, Church Road, Beddington, SM6 7NN
- vii. Rosehill Park, Rosehill, SM1 3EX
- viii. Oaks Park, Croydon Lane, Surrey, SM7 3BA

:

Committee: Cabinet

Date: 19 October 2015

Wards: all

Subject: London Enterprise Panel - New Homes Bonus funded projects

Lead officer: Director of Corporate Services, Caroline Holland

Lead member: Cabinet Member for Environmental Sustainability and Regeneration, Councillor Andrew Judge and Cabinet Member for Finance, Councillor Mark Allison

Contact officer: Future Merton Programme Manager, Tara Butler

Recommendations:

- A. That Cabinet approve entry into a funding agreement with the Greater London Authority / London Enterprise Panel in respect of this successful funding bid worth £1.04m
 - B. That authority be delegated to the Director of Corporate Services following consultation with the Cabinet Member for Environmental Sustainability and Regeneration to enter into the funding agreement with the Greater London Authority (GLA) and any associated issues relating to the delivery of the funding agreement and its projects
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to recommend that Cabinet enter into a funding agreement with the Greater London Authority / London Enterprise Panel to secure £1.04million towards the three projects that formed Merton's successful bid.
- 1.2. Like all other London boroughs, the funding is sourced from the council's New Homes Bonus, accounting for about a third of Merton's 2015/16 allocation.
- 1.3. The details of the three projects are summarised in the body of the report and they will help to deliver the aims of the London Enterprise Panel in driving forward jobs and growth in Merton between 2015-2017

2 DETAILS

- 2.1. In 2014 Government decided to top-slice £70 million of the 2015/16 London allocation of New Homes Bonus funding, around 33% of each London borough's New Homes Bonus allocation. The funding had to be used to deliver projects that contributed to the London Enterprise Panel (LEP) priorities.
- 2.2. Each London council had to bid to the LEP for return of this top-sliced amount, demonstrating how they would meet the LEP priorities, set out as

seven themes based on the LEP's Jobs and Growth Plan. The seven themes cover key economic growth areas such as high streets, apprenticeships, business resilience and unlocking development.

- 2.3. Merton Council submitted bids in 2014 for three projects under the themes: business resilience and low carbon, unlocking development and high streets. The three projects were confirmed as successful by May 2015.

| LEP priority theme | Merton's projects: 2015-17 | Outputs | NHB funding |
|---------------------------|---|---|--|
| Resilience and low carbon | Brighter Business: resilience through energy efficiency: Pilot the delivery of retrofit energy efficiency improvements in business premises (owned or rented) in Merton. Reduce financial burdens on businesses, save carbon and seeking to achieve an invest-to-save approach to business investment that can be rolled out across London. | <ul style="list-style-type: none"> • 1000 local businesses engaged on issues of energy efficiency, water efficiency and waste and recycling • 100 businesses assisted to minimise CO2 emissions • 20 businesses implementing retrofit energy efficiency measures and/or renewable energy generation technologies • 2 BIDs and 1 emerging BID supported to implement energy efficiency and low carbon actions • Explore the scope for wider business support and development across the borough | £175,309 (£65,000 capital and £110,309 revenue) |
| High streets | Morden retail gateway: shopping parades: upgrade the façade of 37 shops across the Art Deco parades London Road, Morden to better serve the needs of the contemporary retail environment. Design and implement a series of coordinated, considered and attractive parades to enhance the local appeal of shopping and services in the area. The parades will serve as a retail gateway to forthcoming More Morden development plans. The work will be partnered with lighter-touch business support to improve long-term business retention. | <ul style="list-style-type: none"> • 37 shop front improvements • 37 small businesses supported • 4 new jobs created and 5 (tbc) jobs sustained • 2 new businesses created • 2 work experience or training opportunities created | £672,500 (£521,000 capital and £151,500 revenue) |

| | | | |
|-----------------------|--|--|-------------------------|
| Unlocking development | Masterplanning Morden: preparation of a site assembly and development delivery strategy for Morden, particularly the Abbotsbury Triangle site, to de-risk it and helping to attract a development partner to deliver a scheme. The proposal would complete due diligence work on land ownership, development viability assessments and a mini masterplan / development brief; packaged to seek a development partner via the Mayor's London Development Panel. Ultimate aim is to realise potential to deliver c. 500 residential units. | Uplift in the value of the site. 500 new residential units (30% of the boroughs housing supply target for next 10 years) 30 commercial units providing opportunities for employment. Enhanced land values locally 5,000 sqm new retail space Co-ordination with other GLA / Transport for London investment in Morden | £193,500 (revenue only) |
|-----------------------|--|--|-------------------------|

- 2.4. To secure this funding and prevent it being redistributed to other boroughs, the council must now enter into a funding agreement with the GLA. The agreement commits the council several matters including:
- To spend the funding on the aims, objectives and outputs as described in Merton's successful bids for funding,
 - to report quarterly on progress to the GLA and
 - to acknowledge the Mayor of London in the communications and publicity for each project.
- 2.5. The above projects are all underway. Procurement, publicity, financial reporting, communications and other matters will be carried out within the relevant regulatory framework and in accordance with the council's standards and in line with the funding agreement. Reports will be submitted to the GLA from the first quarter after the funding agreement is signed.

3 ALTERNATIVE OPTIONS

- 3.1. The alternative option is not to enter into the funding agreement. This would allow the GLA / London Enterprise Panel to claim the 33% of Merton's New Homes Bonus allocated to these projects and redistribute it in accordance with the LEP priorities, potentially to other boroughs. Therefore this option would result in less funding for jobs and growth in Merton and is not recommended.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Consultation is programmed in to the delivery of each of the three projects. Additional consultation will take place where required (for example, if planning permission is sought to improve shopfronts in Morden)

5 TIMETABLE

- 5.1. The timetable for delivery of all three projects is between April 2015 and March 2017.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. The Business Plan 2015-19 which was agreed by Council in March included the following information in respect of New Homes Bonus funding available to the Council in 2015/16.

| | Provisional full NHB allocation 2015-16 | Proportion of London total | Estimated Amount to London LEP | Estimated Net NHB Grant |
|--------|--|-------------------------------|--------------------------------------|----------------------------|
| Merton | £3.684mil | 1.5% | £-1.042m | £2.642m |

- 6.2. The amount of £2.642m is incorporated into the Medium Term Financial Strategy in 2015/16 to support General Fund expenditure and the amount of £1.042m was subject to approval of proposals to meet the criteria of the LEP as discussed in this report.
- 6.3. The “*Morden retail gateway : shopping parades*” project has a revenue match fund element of £75,000 across two financial years (2015-16 and 2016-17). £15,000 of this will be met through the contribution of existing staff time and £60,00 of this will be part of the proposed Economic Development Strategy reserve refresh, specifically attributed to projects on business growth and aftercare attention, business finance programme for SMEs and the street treatment shopfronts programme.
- 6.4. The “*Masterplanning Morden*” project consists of £193,500 revenue funding. The “*Morden Retail Gateway: shopping parades*” and “*Brighter Business*” projects have been added to the Capital Programme as follows:

| Scheme | 2015/16 | 2016/17 |
|-------------------------|----------------|----------------|
| - Morden Retail Gateway | 111,000 | 410,000 |
| - Brighter Business | 10,000 | 55,000 |
| | 121,000 | 465,000 |

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The funding agreement has been reviewed by the South London Legal Partnership who have advised that:
- 7.1.1 The funding agreement appears to be a GLA standard agreement.

- 7.1.2 The agreement imposes strict conditions with regards the basis on which the funding is provided and the requirements the Council must observe. Notwithstanding that the conditions are robust this should be of low risk to the Council if it observes and complies with the grant.
- 7.1.3 If in the event that the Council fails to comply with the conditions of the Grant Agreement there are claw back provisions in clause 7.1 and this sets out those circumstances where the GLA could enforce the claw back provisions

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None for the purposes of this report. Should the specific projects give rise to the need for an equalities impact assessment, one will be undertaken that is specific to that project.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purposes of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None for the purposes of this report.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

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12 BACKGROUND PAPERS

- 12.1. London Council's website: New Homes Bonus#

<http://www.londoncouncils.gov.uk/our-key-themes/economic-development/london-enterprise-panel/new-homes-bonus>

London Enterprise Panel website:

<https://www.london.gov.uk/priorities/business-economy/working-in-partnership/london-enterprise-panel>

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