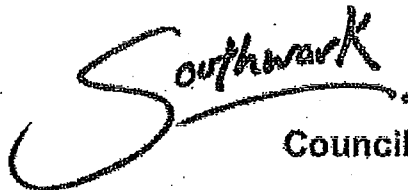


**Inquiry into
The London Borough of Southwark (Aylesbury Estate Wolverton 1-59)
(No 2) Compulsory Purchase Order 2012**

**Proof of evidence of Mr Mark Maginn, Social Homebuy Manager and
Acting Sales & Acquisitions Manager**

For the London Borough of Southwark

PINS Reference NPCU/CPO/A5840/70807

The logo for Southwark Council, featuring the word "Southwark" in a stylized, cursive font with a large, sweeping underline that extends to the left. Below the word "Southwark" is the word "Council" in a simple, sans-serif font.

Proof of Evidence of Mr Mark Maginn (BA Hons)

1. Qualifications and Experience

1.1 I am the Social Homebuy Manager and currently, Acting Sales and Acquisitions Manager within the Specialist Housing Services Division of the Housing & Community Services Department.

1.2 I have worked for the London Borough of Southwark since April 2007 and have held the roles of Southwark Council's Social Homebuy Manager since August 2010 and Acting Sales and Acquisitions Manager since July 2012. I have worked in the field of Home Ownership and Leasehold Management for a total 13 years and prior to joining Southwark Council worked for the London Borough of Camden between November 1999 and April 2007 the majority of which I spent as Principal Leasehold Officer. This role included (from March 2001) assisting with the devising of and operating a successful leaseholder Hardship Repurchase ('Buy Back') Scheme under a government initiative which incentivised local authorities to do so.

1.3 In my role as Social Homebuy Manager, I am responsible for all management aspects relating to the processing of the Council's Social Homebuy and Cash Incentive Schemes as well as the post-sales management arising from completions under these schemes and those relating to all shared ownership/equity leases granted by the Council under current and abolished statutory provisions. The Social Homebuy scheme is a parallel scheme to the Right to Buy under which qualifying tenants can purchase their rented Council home on shared ownership terms at a discount. The Cash Incentive Scheme exists for tenants who wish to purchase a home on the open market rather than their own home. Rather than a discount, qualifying tenants receive a grant to help reduce the amount they need to borrow from a mortgage lender. The common feature of these two schemes is that the Council undertakes a detailed financial assessment to assess the level of applicants' affordability.

1.4 I also manage a two-person team of Acquisitions Officers who administer applications for re-housing assistance made by Southwark Council home owners affected by regeneration schemes in the borough, along with the administration of resulting sales of vacant Council properties arising from these applications.

2. Scope of Evidence

2.1 The purpose of my evidence is to demonstrate the ways in which the Council has sought to acquire the leasehold interests in the properties known as 1-59 Wolverton, Aylesbury Estate London SE17 ("the Order Land") by negotiation and to show how the home owners on the Order Land have been supported by Acquisitions and other Council officers to find new homes through a variety of routes, both in the period prior to the Council seeking a Compulsory Purchase Order and throughout the current CPO process. My evidence should be read in conjunction with Jackie Fearon's evidence which

deals with the negotiations that have taken place with tenants on the Order Land.

2.2 In my evidence I make reference to the Council's Executive and Cabinet decisions to offer an assistance package to home owners on the Aylesbury Estate. I also provide evidence on the specifics of how Council officers have delivered this assistance package to home owners, the contact Council officers have had with home owners in 1-59 Wolverton since October 2009 and the outcomes.

2.3 In my proof of evidence I make reference to the Council's statement of case (CD 8) and the documents appended to this proof of evidence are listed at the end of the proof.

3. Policy Background

3.1 Resident home owners living on Southwark Council housing estates subject to phased regeneration schemes are entitled to apply for re-housing assistance from the Council under Part 6 (paragraph 6.1.12) of the Lettings Policy: Special Allocations Schemes (annexed at Appendix 1).

3.2 It was recognised before a February 2005 re-housing assistance policy decision (annexed at Appendix 2) that some of the home owners affected by regeneration on the Heygate Estate, Elephant and Castle would not be able to source affordable replacement homes without assistance from the Council and whilst the Council is not under a statutory duty to give home owners priority on its housing list, to not make an offer over and above the Council's statutory duty could cause hardship. The Council's duty is to compensate leaseholders for the value of the land taken, and any loss arising from severance and injurious affection; leaseholders are also entitled to the losses occasioned by being "disturbed" from land or premises and any relevant loss payments. There is no obligation an acquiring authority to provide alternative premises. A local housing authority only has a duty to re-house residents whose dwellings have been compulsorily acquired if no suitable alternative accommodation is available on reasonable terms. The Council's view is that suitable alternative accommodation is available on reasonable terms.

3.3 Re-housing assistance was first put in place for Heygate Estate home owners against a backdrop of the Council being the first local authority in the country to offer a Social Homebuy scheme. As is stated in paragraph 5.13 of the Council's statement of case (CD 8), this meant that in terms of home owners remaining in Council home ownership, the Council could go beyond its statutory duties. It also meant the Council had a precedent lease agreement and the staffing capacity to administer the financial eligibility assessment process, with day to day case management being carried out by dedicated officers within the Major Projects division of the Regeneration Department. (Note, subsequent to re-structure the Major Projects division no longer exists).

3.4 The Council's Executive adopted the re-housing policy for Aylesbury home owners on 26th September 2006 and this policy was amended by a further Council Cabinet (formerly Executive) decision on 14th December 2010 (CD2). Among other amendments, the 14th December decision altered the 'Comparative Value Transaction' category of assistance as this was deemed unworkable and restricted choice (CD 2 page 51 paragraph 17, bullet point 4). More detail on this particularly consequential amendment is contained at paragraphs 6.6 – 6.9 of this proof of evidence.

4. Re-housing assistance for 'in-phase' home owners

4.1 The regeneration of the Aylesbury Estate is phased over a considerable number of years as detailed at paragraph 1.1.2 on page 12 of the Aylesbury Area Action Plan (AAP), published in January 2010 (CD 12). Tim Cutts's evidence provides an explanation of the vision contained in and the relevant details of the AAP.

4.2 When a phase becomes active and the re-housing of residents in a particular block or series of blocks earmarked for demolition commences, there are three main options for home owners to consider, depending on their circumstances. These are: 1) Purchasing a replacement property on the open market, 2) Purchasing a replacement property through a low cost home ownership scheme with a housing association, 3) Seeking re-housing assistance from the Council and eventually becoming a full/shared owner or tenant of a Council property. These are set out in the Leaseholders' Toolkit (CD 22). (The Toolkit is no longer in use, but was being used at the time the re-housing process for the Order Land commenced). A further option of becoming a tenant in the private rented sector is also available but is not usually thought to be relevant.

4.3 Live-phase regeneration home owners are invited to make a re-housing assistance application to the Council's home ownership service. The scheme is conditional on full disclosure by applicants of their financial circumstances. Two Acquisitions Officers (Nigel Wearing and Melanie Hill) are employed to undertake the financial assessment process. A copy of the financial assessment form is annexed at Appendix 3.

4.4 The purpose of the financial assessment is to determine which category of assistance a home owner may qualify for. The assessment determines whether they can afford to remain in home ownership either privately or remain in home ownership as a shared or full-owner with the Council as landlord, or whether a reversion to a Council tenancy is appropriate.

4.5 Assistance accordingly works as a cascade. The re-housing assistance policy enables the Council to offer home owners accommodation from its own stock to purchase outright (if affordable) or on shared ownership terms.

Affordability is benchmarked against Council housing stock and not what is available on the open market.

4.6 The financial assessment takes into account a home owner's ability to meet the ongoing costs of ownership, not only the capital outlay for the replacement property. As the benchmark is against Council stock, we do not have to estimate what the ongoing costs will be – we know what they are now and are likely to be in the near future. We have access to Council tax details, revenue service charge information and the Council's capital investment programme for major works schemes.

4.7 Home owners that are assessed as being able to purchase a vacant Council property outright or on shared ownership terms and who accept the outcome of this assessment, receive the same band 1 status (the highest ranking level) as Council tenants and are able to bid for suitable properties through the Council's choice based letting system, 'Homesearch'. An example of a recent "Homesearch" magazine is annexed at Appendix 4.

5. Implementation of the re-housing assistance policy for 1-59 Wolverton home owners

5.1 Acquisitions Officers from the Council's Home Ownership Unit met a number of the home owners at an information event held at the Thurlow Lodge Community Centre down the road from the Order Land on 12th November 2009. At the event, some of the home owners completed assistance application referencing forms in anticipation of the start of the buy back process.

5.2 In 2010, the Council formally commenced negotiations to acquire leasehold interests from the 1-59 Wolverton home owners on voluntary terms – i.e. by joint agreement and without a Compulsory Purchase Order.

5.3 The negotiated terms would however operate under the basis of a Compulsory Purchase Order even though no Order was in place and the appropriate level of compensation would therefore be payable in accordance with statute.

5.4 Whilst the Southwark Council Property Division commenced negotiations on property values with the individual property owners and their instructed surveyors, Council officers officially invited the 1-59 Wolverton home owners to make re-housing assistance applications in February 2010.

5.5 The Regeneration Department sent further letters to home owners on 3rd and 15th March 2010, (annexed at Appendix 5) giving information on the regeneration timetable along with an invitation to a further information event to be held on 25th March 2010.

5.6 Acquisitions Officers received assistance applications from the following objector home owners during this period: 2 Wolverton, 17 Wolverton, 19 Wolverton, 21 Wolverton, 13 Wolverton, 20 Wolverton, 22 Wolverton, and 36 Wolverton. I deal with the outcomes of these applications in section 7.1. By "objector home owners" I refer to those homeowners who were named in the letters of objection sent to DCLG on 15 August 2012.

5.7 All resident home owners, including those that had not made progress with applications for assistance were provided with the 'Statement of Principles' document on 12th and 13th April 2010. The document fully explains the principles under which the disclosure of personal financial information and the Council's assessment of that information operates. A copy is appended to this proof of evidence at Appendix 6.

5.8 A sample of the correspondence home owners have had with Council officers in respect of re-housing assistance, together with a summary of their housing options, was appended to the Council's statement of case (CD 8) and forms CD 24. Acquisitions Officers generally record the most consequential instances of contact with home owners they are working with, retaining e-mails and copies of letters sent and received. The Council does not always have a written record of every phone call or meeting but the most important contact is recorded. This also includes contact made by elected Members and Council officers other than the two Acquisitions Officers reporting to me.

5.9 Prior to receiving an outcome to their re-housing assistance application those home owners that engaged with the re-housing assistance assessment process met the Acquisitions Officers administering those applications on numerous occasions, most often at the Aylesbury Housing sub-office situated in the Taplow building but sometimes at their homes, which are situated directly opposite that office.

5.10 Applicants are required to submit original copies of personal financial information in person.

5.11 The personal financial Information provided to us is verified with the relevant organisation(s), including banks, building societies, loan providers, insurers, employers and so on. Any applicant that reaches the end of the application process and is informed in writing of the outcome of their assessment will usually have spent a good deal of time collating and providing the necessary information, again meeting the Acquisitions Officers regularly during the lifetime of the application.

5.12 It is worth noting that most of the objector home owners were assisted in the application process by family members, who also met and discussed the application procedures and potential outcomes with Acquisitions Officers on numerous occasions.

5.13 It is further worth noting that Acquisitions Officers although not originally based in the Taplow Housing Office, based themselves there initially for one, then two days a week in order to operate a home owners re-housing

assistance drop-in service. This service continues to this day and is primarily for 'in-phase' home owners, those in sites 7 and 1b/1c (Phase 1 as per the AAAP). The objector home owners are aware that this resource is available to them and many have used it regularly over the last two years.

6. Policy amendment December 14th 2010

6.1 The policy amendment referred to at paragraph 3.4 of my proof of evidence contained in the Cabinet report of December 14 2010 (CD 2 page 51 paragraph 17) relates to a change partly necessitated by the housing market conditions at the time but mainly to keep parity between the policies of assistance for Heygate and Aylesbury home owners, as the Council decided to undertake concurrent regeneration schemes on these estates.

6.2 The 2006 Aylesbury policy (CD 2 page 33 paragraph 45) details the following options for home owners: (a) Buying a property on the open market (b) Buying a shared ownership unit (c) Buying a retained equity unit (d) Comparative value transaction (e) Alternative acquisition (sitting tenant Value) becoming a tenant within one of the new early housing site properties or within the Council's existing stock.

6.3 Paragraph 46 of the 2006 policy (CD 2 page 33) stated that all of these options above were available to leaseholders depending on their individual circumstances.

6.4 Paragraphs 52 to 55 of the 2006 policy (CD 2 page 35 – 36) detail the strict rules governing options (d) and (e) so I have not inserted them verbatim into this proof.

6.5 It was recognised by Council officers that options (d) and (e), as they were at the time, were not workable due to the restriction of choice they imposed.

6.6 The change to the policy meant that the "Comparative Value Transaction" was altered with the following effect:

6.7 Home owners that are assessed as being able to afford less than 25% of the costs of home ownership are recommended for a Council/RSL tenancy.

6.8 Home owners that are assessed as being able to afford 25% to less than 100% of the costs of home ownership are recommended for shared ownership (purchase of vacant property from Council owned stock).

6.9 Home owners that are assessed as being able to afford 100% to 110% of the costs of home ownership are recommended for full ownership (purchase

of vacant property from Council owned stock) although they can access the shared ownership option if desired and in so doing, retain capital.

6.10 Although offering the above range of options to resident leaseholders would mean a loss of Council stock available for Council tenants and necessitated a change to the Lettings Policy, it was perceived that there would be a number of benefits in doing so:

6.10.1 Leaseholders who wish to maintain equity are able to do so, thereby reducing the risk to the Council of a delay in securing vacant possession.

6.10.2 Where leaseholders were found to be unable to afford homeownership in Southwark, the Council was already committed to offering them a Council tenancy through the general lettings policy, so no more additional properties will be lost from Council stock this way than would be via the current Lettings Policy.

6.10.3 As a standard feature of shared ownership lease agreements, the Council would retain first option to re-acquire any properties sold on a shared ownership basis to leaseholders, meaning that this stock would not necessarily be lost to the Council indefinitely should the Council wish to exercise this right of first refusal.

7. The Council re-housing assessment outcomes

7.1 Each of the home owners that made a council rehousing assistance application (and reached the end of the application process) was offered the opportunity of re-housing by the council. For some this meant the purchase of a council property on shared ownership terms and for others it meant a council tenancy.

7.2 All assessment outcomes are presented to home owners in person by Acquisitions Officers. This enables them to fully and clearly explain the contents of what is a detailed document. Adopting this procedure ensures that the home owner and if appropriate their family members are able to ask questions about the assessment and related matters. I was personally present when the assessment outcome was presented to the leaseholders at 22 Wolverton and their daughters on 22nd September 2010 and can verify the usefulness of this approach.

7.3 In December 2010 the Head of the Home Ownership Unit answered a Councillor enquiry made by one of the leaseholders to the Cabinet Member for Housing Management concerning the outcome of their assessment (copy annexed at Appendix 7)

7.4 In November 2010, I answered a Members enquiry from the Rt Hon Harriet Harman QC MP made on behalf another of the leaseholders. I had previously met the leaseholder to discuss an appeal against the outcome of their assessment on 21st October 2010 (copy annexed at Appendix 8).

7.5 To date, four Wolverton home owners have accepted the outcome of their council rehousing assistance assessments. Of these, one moved into a new council home on shared ownership terms on 18th December 2012. Two other owners moved to an L&Q development in Bermondsey on 23rd January and 1st March respectively. The owners of the remaining Wolverton property will be moving to an L&Q development in Chislehurst in the coming months when said development is complete.

7.6 The other home owners who have not accepted the outcomes of their assessments are currently not registered to bid for Council properties through Homesearch and therefore do not have access to Council re-housing.

8. The home owner objections as they relate to the re-housing assistance policy

8.1 The home owners' objections to the Compulsory Purchase Order and the Council's response are stated in paragraph 10.4 of the Council's statement of case (CD 8).

8.2 I have seen the objections letter in full and in this part of my proof of evidence I expand on the Council's responses relating to re-housing assistance as that is my particular area of knowledge. I also refer to annexed relevant evidence.

8.3 In response to the objection that home owners have not been offered alternative accommodation that is suitable and that relocation opportunities have been unaffordable, I respond as follows:

8.4 The suitability of available Council housing stock for those that have been assessed as being eligible to rent or purchase a Council home, is subjective. By either not completing a re-housing assistance application or by not accepting the outcome of their re-housing assessment, some home owners have deprived themselves of access to bid (with officer support) for potentially suitable properties through the Council's choice-based lettings system, Homesearch. Without taking the necessary non-committal step forward and by rejecting repeated encouragement to do so, some home owners will have overlooked valuable opportunities to find a new Council home. Not being registered on the system means that homeowners do not have access to Council re-housing through Homesearch.

8.5 In terms of affordability, again home owners would not know whether the properties contained within Homesearch are affordable for them as they have not been able to bid for them.

8.6 Some of the home owners have expressed a dislike of the idea of paying a shared ownership rent and see this as being unfair. In response to this issue, my colleagues in the Aylesbury Regeneration Team have negotiated a shared equity option with L&Q for new-build units on the estate and in the sub-region. This option is described more fully in Jane Seymour's evidence.

8.7 In addition to this, the recently increased value of the Wolverton homes, based on recent auction sales evidence (annexed at Appendix 9), plus the statutory compensation allowance of 10% of the market value for resident leaseholders is such that should home owners accept the outcome of their assessments, they could potentially source properties through Homesearch where the premium for the surrender of their current home would be sufficient to buy another Council home outright.

8.8 In response to the objection that home owners are not able to leave their new properties as inheritance, I respond as follows:

8.9 This is not the case for Council-assisted repurchases of its own stock on shared ownership terms or outright. A property can be left to a beneficiary under a will and the Council's right of first refusal would only come into play where the beneficiary then sought to sell the property. A copy of the Council's standard form of shared ownership lease is annexed at Appendix 10.

8.10 In response to the objection that home owners have only been offered one unfeasible re-housing option, I would respond as follows:

8.11 The home owners have been offered extensive officer assistance and support to (a) find homes on the open market, (b) find an alternative Council home (c) find low-cost homes through a registered provider. That these options are deemed by the objectors to be unfeasible is subjective. The mechanisms for this support and evidence to verify it are examined in more detail in the subsequent paragraphs 8.14 onwards.

8.12 In response to the objection that home owners were not assigned a specific case management officer, I respond as follows:

8.13 It is certainly true that the former Aylesbury Leaseholder toolkit stated that a 'case management' officer would assist home owners with their re-housing requirements. Had a single role been implemented in the way the toolkit suggested it would, the officer functions would have been separate from those undertaken by Acquisitions Officers and Housing Officers, although complementing and working closely with both.

8.14 The fact that a post with the precise title of 'case management officer' has not existed for home owners on the Order Land has in no way meant there has been a lack of support for said home owners. Indeed, for periods, the Acquisitions Officers reporting to me became de facto case management

officers as is evidenced by their chronologies of contact annexed to this proof of evidence at Appendix 11.

8.15 In addition, there has always been a Resident Services Officer (RSO)(Levi Burke) (formerly known as a Housing Officer) allocated to the block and more recently, the RSO for the block has been complemented by the additional resource of an officer with extensive experience as a case management officer (Hema Vashi) working on the regeneration of the Heygate Estate and Phase 1 of the Aylesbury Estate regeneration.

8.16 In effect, home owners have had up to four officers dealing with what might be called case management issues at any one time, and weekly case management meetings to look at individual circumstances and solutions are held every Thursday at the Taplow Housing sub office. The meetings are attended by the Resident Services Manager, Resident Service Officers, Acquisitions Officers and the Stakeholder Relations Officer from the Aylesbury Regeneration Team (Claudia Cimino).

8.17 The home owners themselves have used the resource of a meeting room at the Taplow sub-office to meet and discuss common issues. On more than one occasion they have asked the Acquisitions Officer manning the drop-in service at the time to attend on an ad hoc basis and answer questions and provide updates.

8.18 In addition to the high level group meetings requested by home owners and chaired by the Cabinet Member for Regeneration and Aylesbury Director (notes of which are annexed to this proof of evidence at Appendix 12) home owners have been offered the opportunity to have one-to-one meetings with me and with Ms Seymour, from the Aylesbury Regeneration team, to discuss their individual concerns. At the time, the only home owners that took this offer up were the homeowners of 22 Wolverton and Ms Seymour and I met them at their home on 2nd May 2012. The unaccepted invitations are annexed to this proof of evidence at Appendix 13.

8.19 More recently, a further invitation was issued to the home owners to meet officers on an individual basis. As a result, either Ms Seymour or Ms Cimino (each accompanied by Mr Burke) met with homeowners during the week beginning 12 November 2012.

9. Conclusions

9.1 It is my firm belief that the objections as they relate to the assistance home owners have received to locate suitable new homes are unfounded.

9.2 Having managed the re-housing assessment process for four major regeneration schemes in the borough in the last two years, I understand that it

can be difficult for home owners to have to make difficult choices about where their new homes will be.

9.3 As a local authority provider of social housing, the Council has adopted an assistance policy which recognises that home owners may require the same level of support afforded to tenants and that home owners provide some of the more difficult challenges in terms of achieving vacant possession of housing sites for regeneration.

9.4 The evidence annexed to this proof of evidence shows, and I am satisfied that I, the officers that report to me and our colleagues in Housing Management and Regeneration have made every effort to assist the objectors to find alternative homes, whilst working within policy and statutory frameworks.

9.5 One of the matters the 2004 Circular (Compulsory Purchase and the Crichton Down Rules – CD 4)) identifies as preparatory work that an acquiring authority should carry out before embarking on compulsory purchase, and throughout the preparation and procedural stages, is to seek to acquire land by negotiation wherever practicable (paragraph 24 2004 Circular – CD 4 page 99). The Circular makes clear that the compulsory purchase of land is intended as a last resort in the event that attempts to acquire by agreement fail.

9.6 Paragraph 24 of the Circular further makes clear that acquiring authorities should as a contingency measure plan a compulsory purchase timetable at the same time as conducting negotiations, and to initiate those formal procedures in parallel with such negotiations. My evidence shows the steps taken by the Council to try to obtain vacant possession of the Order Land, in order to enable regeneration to proceed, by agreement, to avoid the need for a CPO. It is my view that a compulsory purchase order is now necessary to obtain vacant possession.

Appendices to Mark Maginn's proof of evidence

- MM 1.** Lettings Policy: Special Allocations Schemes
- MM 2.** February 2005 re-housing assistance policy decision
- MM 3.** Sample financial assessment form
- MM 4.** Sample Homesearch magazine
- MM 5.** Further letters to home owners on 3rd and 15th March 2010
- MM 6.** Statement of Principles document
- MM 7.** December 2010 reply from Head of the Home Ownership Unit to a Councillor enquiry made by leaseholder of 19 Wolverton
- MM 8.** November 2010 reply to enquiry from Rt Hon Harriet Harman QC MP on behalf of leaseholder of 20 Wolverton
- MM 9.** Recent Auction sales evidence
- MM 10.** A copy of the Council's standard form of shared ownership lease
- MM 11.** Chronologies of contact
- MM 12.** Notes of high level group meetings requested by home owners and chaired by the Cabinet Member for Regeneration and Aylesbury Director
- MM 13.** Unaccepted invitations to meetings with home owners

