

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 29 <sup>th</sup> July 2003	<b>MEETING NAME</b> Executive
<b>Report title:</b>		Wooddene SEI decant arrangements	
<b>Ward(s) or groups affected:</b>		Livesey Ward Residents, specifically of 1-317 Wooddene.	
<b>From:</b>		Strategic Director of Housing	

## RECOMMENDATION

1. To agree an exception to the decant policy for the decanting of Wooddene

## BACKGROUND INFORMATION

2. The Wooddene SEI scheme was agreed by Strategic Committee on 25<sup>th</sup> January and 26<sup>th</sup> January 2000. The decision was: 'That Wooddene be demolished but that consideration of how to dispose of the land be postponed until Strategic Committee of 22<sup>nd</sup> March (2000) when the results of the Greater Peckham Alliance SRB 6 bid is known. Officers then bring forward a report.
  - a) With proposals on disposal which reflects the outcome of the SRB bid and which takes account of the economic impact and opportunities arising out of the East London line extension, and
  - b) Which considers how and where a suitable mix of affordable housing will be provided to accommodate residents decanted from Wooddene.'

This report seeks agreement to a process for taking the Wooddene SEI scheme forward, including the decant arrangements.'

3. Since that time, the SRB scheme has started and as currently proposed will have little impact on the Wooddene proposals. The East London line proposals are firmer, but have not so far impacted on Wooddene. In addition, the decant policy in regeneration schemes has been the subject of a Working Party review and consultation exercise.
4. In December 2002, Executive agreed a revised Decant Policy for the Borough (Appendix A attached). This policy had emerged as a response to the increasing pressure on the housing stock and was developed by a cross party working group with tenant and leaseholder representatives. It was subject to consultation with Neighbourhood Forums, Project Teams, Tenants Council and Leaseholder Council. The main features of the policy are:

- ◆ That replacement properties (either new or refurbished) for all tenants are provided as part of the scheme.
  - ◆ Tenants within a decant scheme may be registered on the transfer list whilst awaiting decant. This transfer application is considered separately from the decant process. If no offer of alternative accommodation is made on the basis of the transfer application, then the tenant will be expected to move to the replacement property.
  - ◆ Tenants within a decant scheme who are under-occupying may qualify for a move outside the decant scheme under the Under-occupation Initiative. These tenants will then have choice of registering for a replacement property as part of the decant scheme or of registering for a **larger** property elsewhere in the Borough.
  - ◆ Whether or not there is a choice of landlord for individual tenants will depend on the nature of each regeneration scheme.
  - ◆ If a leaseholder is not in a position to purchase another property on the open market in Southwark, Management Needs Panel may determine to make an offer of accommodation.
5. Housing officers have been undertaking preliminary work on Wooddene. Presentation Housing Association (PHA) was appointed as the preferred development partner in April '02 to work up proposals for the Wooddene scheme. The favoured approach is for a relatively high density mixed housing development to replace Wooddene. This is in part to maximise the capital receipt derived from the disposal of the estate, but also to reflect the location and current planning thinking on the density of residential development.
  6. Whilst the future development of the Wooddene site is clearly important, this is purely hypothetical without the availability of stock to decant it. The constraints outlined below make it impossible to reprovide fully for Wooddene under the terms of the new decant policy without a prejudicial effect on the housing list. To decant Wooddene successfully and maintaining a safe and manageable environment would require a specific arrangement.
  7. The SEI funding plan assumes decant and demolition costs of £3.4 million, and a capital receipt of £6.9 million. The receipts figure dates from the original Housing Committee report in 1998 and it has been assumed more recently that a further £1 million could be realised which is listed as one of components to fill the SEI funding gap. The SEI finance plan projects the recycled receipt, net of decant and demolition costs for Wooddene being reinvested into the East Dulwich Estate scheme.
  8. The decision to demolish Wooddene was taken in January 2000 when the former decant policy was in place. Although decant projections included Wooddene, all schemes worked up since have taken account of the need to produce as much replacement housing within schemes as possible. In previous regeneration schemes, the decision to stop letting has taken place in advance of starting the decant process which itself has normally occurred 12 months ahead of the required vacant possession date. In current circumstances, and with the scale of the task at Wooddene this could not be regarded as adequate. The Strategic Director of Housing agreed to stop letting at Wooddene in May '02.

## **KEY ISSUES FOR CONSIDERATION**

### ***Development issues***

9. To date there has been a working assumption based on knowledge of the structure, that Wooddene would need to be demolished at one time, even though technically it could be decanted in stages, subject to the appropriate arrangements being in place. PHA has advice from structural engineers and a demolition contractor that a phased demolition is possible by the use of temporary strengthening. Although there would be some advantages to a phased development, it is assumed that the impact on residents would be too great and that effective management would not be achievable at any practical level. Accordingly, decant and schemework proposals will continue to assume a single stage process for the time being.
10. The Wooddene block itself is 317 units. The redevelopment will also require the demolition of 9 maisonettes in Carlton Grove, and at least temporary decant of three properties adjoining Wooddene in Meeting House Lane. Discussions with tenants of these properties about the proposals have commenced.
11. Following correspondence with the Housing Corporation, it has been made clear that no Social Housing Grant (SHG) will be available for the Wooddene redevelopment. However several of the schemes that could supply decant will be conventional schemes that will attract SHG in the normal way.
12. There are two long leaseholders at Wooddene; however in common with the stock generally there has been an increase in RTB activity in recent times.
14. PHA will continue to work up more detailed proposals based on a greater density assuming cross subsidy by housing for sale to produce affordable units. Within the financial constraints mentioned above, the number of affordable units will be maximised. It is also assumed that community facilities involving the Peckham Settlement could form part of the new development. PHA's role in the development has yet to be defined, but they could conceivably be the appointed s106 agent for a developer, or could act as developer co-ordinating the disposal to the private sector and the provision of the community facilities. PHA is involved in working up several of the 'feeder' developments in the borough.

### ***Decant Issues***

15. As outlined above, it is assumed that all households need to be moved before demolition proceeds. Implementation of the Council's newly adopted decant policy appears to jeopardise the proposed redevelopment of Wooddene due to the lengthy timescale it would require. Therefore a different approach is suggested in this report if the outline redevelopment timescales are to be achieved. The new decant policy requires that new development is delivered up front. However, there is very little opportunity for infill development on the fringes of the Wooddene site, and even if it were physically possible, it is probably not feasible without limiting the scope of the overall scheme to a damaging extent. Also, to assemble sufficient new RSL homes

in the area – say 250, without drawing on existing and pipeline schemes could take between 5 and 7 years. The difficulties and risks associated with this are summarised as follows:

- Ongoing repair and maintenance of decaying fabric and infrastructure.
- Lack of control over where voids occur leading to management problems and difficulties predicting supply for temporary accommodation.
- An unreal timescale for tenants particularly given how long the Wooddene scheme has been dormant, leading to loss of confidence.
- Increased number of RTB leaseholders with consequent increase in cost to scheme caused by re-acquisition.
- Risk to the East Dulwich SEI scheme for which the Wooddene receipt is a major component.
- Increased uncertainty re future property market and wider economic events eg falling property market, ongoing build cost inflation.

### **Conclusion**

16. Prolonging the scheme over this sort of timescale is of questionable value and leads to the conclusion that Wooddene is not viable under the new decant policy. A very significant development has been a change of policy at the Housing Corporation. They are no longer prepared to use SHG for regeneration schemes which involve any loss of social housing. An alternative approach to the new decant policy needs to be agreed for Wooddene therefore.

17. One approach could be to provide all new-build RSL units from the current development pipeline. If a decant period of July '03 to July '05 was adopted, and all schemes were developed, it is projected that 324 units would be delivered within about a mile of Wooddene, and slightly further afield by Presentation. So for this period, a large proportion of the pipeline units would be absorbed by the Wooddene scheme. This option would 'swallow up' a large number of new-build properties in the current pipeline. These had been expected to become available for letting to the highest priority applicants among the 13,000 households currently on the Council's Housing List.

18. Alternatively the Wooddene decant could be based on the Council's previous decant policy, thereby allowing tenants to be made on offer of council or RSL accommodation. There would not be a choice of landlord however. This alternative option has 2 advantages

- It leaves a greater proportion of new-build RSL properties available for letting to applicants already on the Council's Housing List
- It allows current tenants at Wooddene a greater choice
- Overall, the decant would be achieved more quickly.

Therefore, this is the recommended approach.

19. The previous referencing exercise showed that of 289 households, 173 opted to

return to new build on site provision and 116 preferred a permanent move away from the scheme. The referencing was based on the former decant policy, and only very outline scheme proposals.

20. There are currently 20 voids, 15 of which are with the Temporary Accommodation Unit. Current proposals are based on a referencing exercise that was completed in March 2000. A new exercise is programmed to commence shortly.
21. The loss of units and the new build supply have been included in the overall decant plan and also stock loss projections.

### **Policy implications**

22. The allocations policy is currently under review and this will include the consideration of the decant policy. If adopted, a different decant policy for Wooddene should be viewed in isolation.

### **Effect of proposed changes on those affected**

23. For the residents of Wooddene, a revised strategy would offer a real opportunity of all households being decanted from the block in a realistic timescale. This would make personal planning more tangible but would also give the best chance for effective management through the decant period.

### **Resource implications**

24. The funding arrangements to deliver Wooddene are contained within the overall SEI funding plan. The costs for Wooddene are essentially those of securing vacant possession ie home loss, disturbance and leasehold acquisition. It is assumed that the cost of demolition will fall to a third party, and will therefore be netted off the land receipt. We currently envisage expenditure of £879,750, profiled as follows:

	<b>2003/4</b>	<b>2004/5</b>	<b>2005/6</b>
Home loss	58,500	306,000	102,000
Disturbance	29,250	153,000	51,000
Leasehold acquisition	180,000	0	0
<b>Totals</b>	<b>267,750</b>	<b>459,000</b>	<b>153,000</b>

### **Consultation**

25. There is still strong tenant support for the scheme. In working up the scheme, interest has inevitably switched from the development of Wooddene to how the replacement RSL housing will be provided. The Project Team's involvement in the RSL selection process was helpful in developing the necessary understanding. The Team has expressed disappointment with the slow progress of the scheme to date

and with the changes to decant and development approaches that have been necessary. The Team has also expressed concern about the prospect of phased decant and demolition.

26. A public meeting was held on the estate on 23<sup>rd</sup> June in order to provide an update on the scheme and gauge opinion on the proposed rehousing policy. The main concerns at the meeting, which was attended by approximately 100 people, were frustration at the delays to the scheme and concerns over the security of the estate during rehousing. A number of tenants also enquired about whether they could do a temporary move and move back to a new RSL home on the Wooddene site. There seemed to be a general support for the rehousing policy.
27. The Project Team and the Acorn Neighbourhood Forum were both involved in the consultation on the new decant policy. The new referencing exercise will help to inform people about that policy and any variant of it that applies.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### ***Borough Solicitor and Secretary***

28. The report seeks approval to dis-apply the current decant policy to the Wooddene scheme on the basis that to apply the same would jeopardise the scheme. 2 alternative approaches are proposed and these are set out in paragraphs 17 and 18 of the report. The option contained in paragraph 18 is put forward as the preferred approach.
29. It is a principle of administrative law that local authorities do not fetter their discretion or be too rigid. Accordingly, providing that a case can be made, making an exception for Wooddene is something that members can do. There are no statutory provisions that would prevent the making of an exception in this way.
30. Allowing an exception could set a precedent. However each matter would need to be dealt with on its own merits. Paragraph 22 of the report notes that the Decant policy will be reviewed as part of the on-going Allocation policy. This would be an opportunity to examine how workable the policy is.
31. Applying a different policy to the tenants of Wooddene whether one based on the earlier policy (as is proposed in paragraph 18), or another could amount to a matter of housing management requiring consultation under S.105 of the Housing Act. S.105 applies inter alia: to matters of housing management which in the opinion of the landlord represent a change in the practice or policy of the authority. Applying a different policy in relation to a limited group could amount to a change in practice or policy. Where a matter is one of housing management, it must be consulted upon if it is likely to substantially affect either secure tenants as a whole or a group of them. Whichever option is implemented would potentially affect secure tenants as a whole i.e. those seeking transfer in that it is likely to affect their position on the waiting list due to a reduction in the stock generally available. The question is whether the effect is substantial. Given that queue positions are not static and could be affected by any number of factors, the effect is unlikely to be substantial. Accordingly general consultation on the policy change is unnecessary. The proposals will obviously have

a greater impact on the tenants of Wooddene and paragraph 26 of the report notes that they have been consulted.

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Wooddene project files. Papers of decant working party.	Housing Regeneration Initiatives, 9 Larcom Street, SE17 1RX	Neil Kirby 020 7525 1292

## APPENDIX A

### Audit Trail

<b>Lead Officer</b>	Rachel Sharpe, Head of Strategy and Regeneration.	
<b>Report Author</b>	Maurice Soden, Estate Regeneration Co-ordinator	
<b>Version</b>	Final	
<b>Dated</b>	17 <sup>th</sup> July 2003	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Borough Solicitor & Secretary	Yes	Yes
Chief Finance Officer	No	No
<i>List other Officers here</i>	N/A	N/A
<b>Executive Member</b>	Yes	No
<b>Date final report sent to Constitutional Support Services</b>		

## APPENDIX A

### REVISED DECANT POLICY

This decant policy covers all estate regeneration schemes where tenants do not have the option to return to their homes due to e.g. demolition, extensive alteration to the property. Information on this policy and any additional issues relevant to their particular decant scheme will be made available to the tenants in each decant scheme before their housing needs assessment takes place.

For each such scheme, the housing needs of all tenants will be assessed as part of the planning process for the scheme. Replacement properties (which can be new or refurbished) for all tenants will be planned and designed based on these specific needs. Of necessity this assessment will take place some time before the replacement properties are ready for occupation. Every effort will be made to limit the time between the need assessment and the commencement of building works on the new or refurbished properties.

The final assessment of tenants' housing needs will be based on the information supplied on the decant application form and as agreed for registration.

Tenants in a decant scheme who are in arrears with their rent payments are eligible for a transfer providing:

The tenant is complying with the terms of a suspended possession order  
No outright possession order has been granted to the Council

Tenants within a decant scheme, like all other Council tenants, may be registered on the transfer list whilst awaiting decant. Such a transfer application will be considered separately from the decant process. If no offer of alternative accommodation is made on the basis of the transfer application, then the tenant will be expected to move to the replacement property as part of the regeneration scheme.

Tenants within a decant scheme who are under-occupying their property may qualify for a move outside the decant scheme under the Council's Under-occupation Initiative. These tenants will then have choice of registering for a replacement property as part of the decant scheme or of registering for a larger property elsewhere in the borough.

If the needs of the household change between registering the decant application and the replacement property becoming available, the tenant will be registered on the transfer list. Again, if no offer of alternative accommodation is made on the basis of the transfer application, then the tenant will be expected, in the first instance, to move to the replacement property offered as part of the regeneration scheme. The transfer application will need to be amended with the details of the new home. Any final offer of alternative accommodation to a tenant in a decant scheme will need to be 'suitable' as required under housing legislation.

Replacement properties may be managed by the Council or by a partner agency, e.g. housing association, depending on the nature of the regeneration scheme. Whether or not there is a choice of landlord for individual tenants will depend on the nature of each

regeneration scheme.

In appropriate circumstances the Council will take account of the rehousing needs of leaseholders or freeholders whose properties have been acquired as part of a redevelopment initiative. This will apply only if the leaseholder or freeholder is not in a position to purchase another property on the open market in Southwark. Such cases are referred to Management Needs Panel for determination in the same way as other property owners who apply for housing to the Council. Where the Panel is satisfied that the applicant does not have sufficient resources to purchase another property in Southwark they will be made a suitable offer of accommodation.

