

Item No. 18.	Classification: Open	Date: 22 March 2011	Meeting Name: Cabinet
Report title:		Mid Elmington Regeneration Programme	
Ward(s) or groups affected:		Camberwell Green Ward	
Cabinet Member:		Councillor Fiona Colley, Regeneration and Corporate Strategy	

FOREWORD – COUNCILLOR FIONA COLLEY, REGENERATION AND CORPORATE STRATEGY

1.

- a) The regeneration of the Elmington estate began with the demolition of four towers and surrounding blocks 10 years ago. Unfortunately, changing circumstances have meant that the road to completing this regeneration has not been as smooth as any of us would have liked. In the meantime, it is the residents of the Elmington estate who have had to live with the physical reminders of these stalled plans in the shape of vacant sites and deteriorating homes.
- b) It is no surprise then, that throughout the consultation process for the regeneration proposals contained within this report, residents have impressed upon myself and other Cabinet members, their strong concern that the Council makes real progress in making change happen, and that the changes are of benefit to all Elmington residents. I have been particularly struck by their concern to ensure that vulnerable residents are protected and helped through the rehousing and refurbishment process.
- c) I am therefore pleased to present this report to Cabinet, recommending an implementation programme for the redevelopment of the sites containing 1-27 Benhill Road; 29-59 Benhill Road; 1-20 Houseman Way; 21-29 Houseman Way; 30-51 Houseman Way; 90-106 Benhill Road; 30-72 Lomond Grove; 1-20 Broome Way and 1-12 Flecker House and setting out the range of rehousing and other support packages that we intend to put in place for Elmington residents throughout this next phase of the Elmington regeneration. I am confident that the proposals contained within this report will result in a regeneration programme that balances our desire to meet the local aspirations of Elmington residents and also our broader, borough wide responsibilities to the residents of Southwark.
- d) Finally, I would like to note that whilst the bulk of this report refers to the proposals for redevelopment, the regeneration of the mid-Elmington estate will not be complete until both Drayton and Langland House have been refurbished. These two blocks were identified for refurbishment in October 2009 and while we must await the outcome of the Council's Housing Investment Programme review before providing the residents of these blocks with the comfort of a start date for these works it should be noted that Ward Councillors have impressed upon us the importance of our residents in these blocks knowing they are not forgotten.

RECOMMENDATIONS

That the Cabinet:

2. Agrees the indicative implementation programme set out at table 8 of this report for the redevelopment of sites C, D, E and G encompassing Camberwell Area Housing Office; 1-27 Benhill Road; 29-59 Benhill Road; 1-20 Houseman Way; 21-29 Houseman Way; 30-51 Houseman Way; 90-106 Benhill Road; 30-72 Lomond Grove; 1-20 Broome Way and 1-12 Flecker House, by way of a land disposal.
3. Notes the involvement of resident representatives to date and the future involvement in the bid evaluation as part of the land disposal process as set out at paragraph 62.
4. Confirms the allocation of Housing Investment Programme resources to forward fund environmental improvements, leasehold acquisition, Home Loss and Disturbance payments to Council tenants and leaseholders and the costs of decommissioning empty homes across sites D, E and G.
5. Agrees the following rehousing options for Elmington Council tenants displaced by redevelopment:
 - a) A permanent move via Homesearch with priority for displaced council tenants to any relets within the footprint of the Elmington estate – see appendix 1. Where replacement housing is available during the rehousing period, council tenants will be prioritised to band 1 for a permanent move to them via Homesearch
 - b) Where replacement housing is unavailable during the rehousing period, council tenants will be offered a permanent move via Homesearch with the option to return to the estate within 5 years of their first move. The five year time period will start at the end of the identified rehousing period for each block in order to avoid penalising households who have moved early in the process. After the 5 year period is over, a review of the progress made on the scheme will be undertaken and resident rehousing opportunities will be re-examined. Band 1 priority will be given to displaced council tenants for any replacement housing forthcoming on the footprint of the Elmington estate and any relets and affordable homes for purchase (subject to qualification set by the provider) in the same area.
 - c) That where households are underoccupying, residents be offered the option to bid for properties one bedroom above their rehousing need.
6. Agrees to offer qualifying resident Elmington leaseholders displaced by redevelopment:
 - a) The same range of council assistance options as has been made available to Aylesbury leaseholders, as outlined at paragraphs 47 to 53.
 - b) Priority for acquisition or part acquisition of new replacement housing forthcoming on the footprint of the Elmington Estate
 - c) Priority for acquisition or part acquisition of any relets arising in the same area (subject to qualification criteria set by the provider).

7. Notes that refurbishment of Proctor House, Brisbane Street and Flatman House is underway and that programming of Drayton House and Langland House for refurbishment will be undertaken in the Council's new Housing Investment Programme.
8. Agrees that Council officers compile with the Elmington Resident Steering Group an appropriate community impact monitoring framework that can be updated regularly as part of the regeneration project.

BACKGROUND INFORMATION

9. The regeneration of the Elmington estate has been ongoing since 2001 when four towers and additional surrounding low rise blocks were demolished. Following the completion of 136 new council homes, changes to the council's finances meant that the additional new council homes planned for the remainder of the vacant sites on either side of Edmund Street (sites A and B) for Phase 2 of the regeneration could not be completed, leaving 15 households that had opted to return to the sites following a temporary move unable to do so. In May 2009, the council's Executive agreed a revised strategy for Phase 2 of the regeneration, which was to dispose of the sites on the private market for housing development.
10. It had been recognised by the council that a number of the Elmington blocks surrounding the regeneration scheme had not yet been brought up to the Decent Homes standard and were costly and difficult to refurbish due to the nature of their construction, and in particular the presence of Asbestos behind the windows. Works had been planned for 14 of the surrounding blocks but had not been undertaken due to the high investment need of the blocks.
11. The blocks were grouped together into site packages and an options appraisal was carried out considering whether the council should pursue:
 1. Redevelopment of all sites
 2. Refurbishment of all sites to the Southwark Decent Homes standard
 3. A mixed option of redevelopment and refurbishment
12. Following the completion of the options appraisal and consultation with residents, the council's Executive agreed a mixed option of redevelopment and refurbishment for the 14 low rise Elmington blocks in October 2009. This constitutes Phase 3 of the Elmington regeneration. Table 1 below outlines which blocks were designated for refurbishment and which for redevelopment, grouped together by site and as indicated in the map at appendix 2.

Table 1: Elmington Phase 3 preferred option

Site	Block	Refurbish/ Redevelop
C	Camberwell Area Housing Office	Redevelop
D	1-27 Benhill Road	Redevelop
	29-59 Benhill Road	Redevelop
E	1-20 Houseman Way	Redevelop
	21-29 Houseman Way	Redevelop
	30-51 Houseman Way	Redevelop
	90-106 Benhill Road	Redevelop
F	Drayton House	Refurbish
G	30-72 Lomond Grove	Redevelop
	1-20 Broome Way	Redevelop

Site	Block	Refurbish/ Redevelop
	1-12 Flecker House	Redevelop
H	61-91 Brisbane Street	Refurbish
J	1-12 Proctor House	Refurbish
K	1-12 Flatman House	Refurbish
	1-14 Langland House	Refurbish

13. In February 2010 the council Executive agreed to the disposal of sites A and B to the council's preferred developer. Detailed negotiations are ongoing with the preferred developer and it is expected that exchange of contracts will take place soon, enabling the developer to be named openly. It is currently estimated that new homes will not complete on sites A and B before 2014/15.
14. The council has since been in touch with the 15 households awaiting a return to Elmington sites A and B to ask them to update their rehousing choice. The households were asked to express a preference for one of the following options:
- a) Remain where they are and make their current residence their permanent home
 - b) Receive band 1 priority for two years commencing 1 August 2010 in order to find an alternative permanent home
 - c) Continue to wait for a new property on sites A and B, recognising that due to the nature of the land disposal the council cannot guarantee that the homes built on sites A and B will be tailored to their housing or other needs.
15. The council has received responses from 13 of the 15 households. Four households have indicated that they would like to continue to wait for a new home on the sites A and B; 7 have indicated that they would like to be rehoused via Homesearch and 1 resident would like to make her current home permanent. One household has opted for one of the named tenants to remain in their current home and the other to find another, more appropriate home via Homesearch. Follow up work will continue with the 2 households who have not responded thus far.

KEY ISSUES FOR CONSIDERATION

16. The following report provides an update on progress made in further developing and implementing a detailed regeneration programme since the council Executive decision in October 2009. Consideration will first be given to the refurbishment elements of Phase 3 and then to the redevelopment elements. The redevelopment section will set out the options considered for the redevelopment of the Elmington sites C, D, E and G and how a recommended redevelopment programme has been arrived at. Reference will be made to resident input and consultation throughout.

Refurbishment programme

17. It was agreed by council Executive in October 2009 that 1-24 Drayton House, 61-91 Brisbane Street, 1-22 Proctor House, 1-12 Flatman House and 1-14 Langland House would be refurbished as part of the Housing Investment Programme.
18. At the time that council Executive considered the proposals for continuing the regeneration of the Elmington estate, Proctor House, Flatman House and Brisbane Street were already part way through the tendering process for Decent Homes works as they had already been identified for works to commence in 2009/10 as part of the council's 5 year investment programme. The 5 year

investment programme was set in 2006 and is now known as the council's 2 year investment programme. A decision was taken not to halt progress on these works unless council Executive confirmed an alternative course of action was advisable. Progress has continued on these blocks since the decision of October 2009 and refurbishment works are now anticipated to start on site in March 2011. Works will likely complete in early 2012.

19. Although all Elmington low rise blocks had been identified as needing work in the five year investment programme set in 2006, neither Drayton House nor Langland House had been programmed and carried over into the council's 2 year investment programme. Residents of these blocks have been informed that their blocks will be refurbished, but have not yet been given a date for when works will commence.
20. The council is in the process of reviewing its housing investment strategy. Consultation over the council's approach to housing investment is underway. This report does not therefore provide dates for the refurbishment of these two blocks as the new programme will follow on from decisions made concerning the revised investment strategy. It is anticipated that a report outlining the new programme will be considered by Cabinet in May 2011.

Redevelopment programme

21. The sites that have been identified by council Executive for redevelopment are listed in table 2 below and are illustrated at Appendix 2.

Table 2 - Redevelopment site information

Site	Blocks	Leaseholders	Tenants
C	Camberwell Area Housing Office	N/A	N/A
D	1-27 Benhill	10	20
	29-59 Benhill		
E	1-20 Houseman Way	9	51
	21-29 Houseman Way		
	30-51 Houseman Way		
	90-106 Benhill Road		
G	30-72 Lomond Grove	12	42
	1-20 Broome Way		
	1-12 Flecker House		
Total		31	113

22. In developing a detailed redevelopment programme for the regeneration, consideration has been given to:
 - Resident aspirations for the Elmington estate
 - The financial and rehousing resources available to the council.
 - The current financial and economic context

Resident aspirations

23. In order to garner resident aspirations for the Elmington estate a consultation day was held at Cambridge House on Saturday 23 January 2010. The day was attended by 34 residents and comprised a morning where they were able to pose their questions about forthcoming works and redevelopment to their blocks to officers from across the council. Following on from the stalled redevelopment of

the Four Towers and a number of setbacks to planned refurbishment programmes in the past, a recurring concern for residents was the likely timeframe for both redevelopment and refurbishment. In the afternoon officers used the Royal Institute of British Architects consultation tool 'Building Futures' to garner ideas about residents' overall aspirations for the Elmington Estate.

24. Residents had a broad range of concerns about the estate and its future as well as a broad range of aspirations for the area. General themes throughout the day were that residents were keen for the area to remain residential although they were concerned that there would be less housing opportunity in the area in the future and some concern that refurbishment would not materialise. The residents also indicated that they would like to see more job opportunities in the area for local and young people and support for local business. There was also appetite for environmental improvements such as better public lighting in the area.
25. Following on from this initial event, consultation structures were established with residents to ensure their continuing input into the regeneration proposals. An Elmington Resident Steering Group (ERSG) was established after the May elections and first met in July 2010. It was initially proposed that this group be supported by a Community Initiatives Subgroup to work towards developing non-housing related projects to achieve community benefit, but thus far there has been insufficient interest in this group from residents to sustain it.
26. The ERSG has met regularly since July 2010 to consider items associated with the regeneration of the estate. The ERSG is an open group that co-opts voting members once they have attended a few meetings. Positions on this group are held open for representatives of both the Mid-Elmington and Poets Corner Tenant and Resident Associations, as well as the Chair of the East Camberwell Area Forum. A record of Elmington RSG meetings and subjects under consideration can be seen at table 2.

Table 2: Elmington RSG meetings

Meeting date	Agenda items
20 July 2010	Terms of reference Initial discussion re: project
3 August 2010	Rehousing options (leaseholders) Decent Homes update
17 August 2010	Rehousing programme (tenants and leaseholders) Communications
7 September 2010	Decent Homes update Consideration of items to appear in draft Cabinet report for November
17 September 2010	Decent Homes update Redevelopment programme update Discussion concerning Cabinet report
4 October 2010	Rehousing and refurbishment programming
18 October 2010	Refurbishment update Resident petition
8 November 2010	Appointment of independent Resident Advisor Redevelopment proposals Refurbishment works Discussion concerning Cabinet report
22 November 2010	Redevelopment Discussion concerning Cabinet report
6 December 2010	Rehousing

Meeting date	Agenda items
	Leaseholder meeting
10 January 2011	Project update Resident survey responses ERSG governance
2 February 2011	Presentation to Councillors Colley and Wingfield
14 February 2011	Project update Benhill nature garden Draft cabinet report and recommendations
23 February 2011	Follow up meeting with Councillors Colley and Wingfield

27. An initial draft redevelopment programme was taken to the ERSG on 17 August 2010. This programme was designed to ensure compliance with the council's published Lettings Policy, which allows for two rehousing options for residents displaced by regeneration:
- a) a move into replacement housing built as part of the scheme
 - b) a move into an existing property elsewhere in the borough.
28. Taking into consideration the poor condition of the blocks, and the length of time it would take to build out new homes on the estate, the programme presented to the ERSG prioritised moving residents as quickly as possible to enable them to find permanent homes elsewhere within the borough. The ERSG expressed concern that Elmington residents may not realise that the proposed redevelopment programme would mean that residents would be permanently rehoused without the ability to return to the estate and without priority for new homes forthcoming on the footprint of the estate. It was agreed that the Council would consult individually with all residents of the blocks identified for redevelopment and ask them to choose between two Lettings policy compliant redevelopment programmes:
- a) A compressed programme, which is the programme that had been initially presented to the ERSG and allowed residents to be moved offsite as quickly as the borough's decant capacity can allow
 - b) A second, cascaded programme, which would postpone the rehousing of residents until new homes had been built for them to move directly into.
29. The two draft redevelopment programmes were posted to 144 individual households in the blocks concerned and residents were asked to express a preference for one over the other by returning a slip to the council. In addition to this, survey questionnaires were posted to Elmington tenants and leaseholders in the blocks identified for redevelopment, asking them to provide further information about their household and their concerns about the regeneration programme. Residents had the option of returning their response slips and surveys by freepost or having them collected. In order to raise response rates, residents were encouraged to respond to these surveys via individual visits by the Southwark Young Advisors, a youth group funded by the council's Joint Security Initiative (JSI).
30. In order to further encourage responses to the survey, a further information day was held on Saturday 11 September, where residents were presented with the two draft rehousing and redevelopment programmes and were again asked to express a preference for one over the other. They were also provided with

supporting information to aid them in making their decision, including information about the rehousing process and the differences between being a council and Housing Association tenant. The responses received were overwhelmingly in favour of the faster rehousing and redevelopment programme. Detailed analysis of the survey results can be found at appendix 3.

31. Following on from the consultation carried out above, Elmington residents independently raised concerns about the 'regeneration offer' proposed by the council. In particular they were concerned that they were being displaced as part of the regeneration scheme with no mechanism being put in place by which they could return to the area. Residents gathered 60 signatures for a petition seeking:

- Clarity over the standard of refurbishment to be undertaken to all blocks identified for redevelopment including Drayton House and Langland House, in particular on: new kitchens and bathrooms; washbasins in single WCs at the ground level; new double glazed windows; new condensing boilers; full re-wiring with additional sockets in the kitchen; blocking up all internal holes; removal of all asbestos panels; flat roof repairs and improved insulation; adaptations to homes with disabled residents; new multilock security front doors; defensible space to be created at ground floor level; introduction of a comprehensive estate parking scheme.
- Priority rehousing for residents in new properties constructed on Edmund Street and Harris Street
- The option to return to the area for residents
- Band 1 priority for both the existing head of a household and any new household arising from the household wishing to be rehoused separately
- The same range of housing and council assistance options for resident leaseholders as was accorded to the Heygate and Aylesbury estate regeneration projects
- Additional support and options for leaseholders wanting to remain in the area but who are unable to purchase a suitable property on the open market in Southwark.
- Regeneration activity to be introduced that includes youth engagement, employment activities, training and apprenticeship activities, schemes to encourage volunteering, outreach work, quick win environmental projects and capacity building with elderly and vulnerable households.
- Involvement of residents in the selection process for a developer.
- A design competition as part of any redevelopment option

32. The ERSG discussed the contents of the petition in October 2010 and has been working with council officers to ensure that the regeneration proposals address as many of the points raised by the petition as possible within the council's financial and other constraints.

33. In order to enable residents to work with the council, the ERSG requested the appointment of an Independent Resident Advisor to work with residents to ensure that they understood the regeneration offer. In November 2010 Open Communities were appointed to this role, and given the following brief:

'to work with members of the ERSG and residents to interrogate the regeneration proposals that the Council is proposing for the Elmington Estate prior to Cabinet approval of a regeneration programme for the estate'.

34. Since their appointment Open Communities has worked intensively with tenants and residents in order to achieve the above and have conducted resident

surgeries, carried out face to face interviews with residents and a postal survey to gauge resident support for the council's current regeneration proposals.

35. Open Communities conducted a resident survey of the blocks affected by the regeneration proposals for the Elmington estate over November and December 2010.
36. Overall, 33 per cent of residents responded to the survey. This figure represents a response rate of 37% among Southwark tenants and 20% among leaseholders.
37. Analysis of survey results showed that:
 - Residents' main concern about the regeneration proposals was to know when it would start.
 - There is a high level of awareness of the proposals amongst respondents – 68 per cent of residents were aware of the current proposals.
 - 70% of respondents in blocks identified for demolition thought that demolition was the right option for their block.
 - Respondents have a positive view of the Elmington estate, showing particular appreciation for their neighbours, the area and transport links.
 - Respondents were most negative about the state of repair of their homes and difficulty heating their homes.
 - A significant number of residents were interested in a single move.
 - 80 per cent of respondents from blocks identified for demolition wanted to remain Council tenants as rents were perceived to be lower and space standards better. For the 20 per cent of respondents who would prefer to be Housing Association tenants, the reasons given were the modern nature of their housing stock and a better standard of landlord service.
 - Around 10 per cent of respondents indicated that their household contained a member with a serious disability.
 - Leaseholders generally wanted more information about the offer that the Council is willing to give them for their property.
38. Members of the ERSG met with the Cabinet members for Housing and Regeneration on 2 February 2011 to discuss how their aspirations have been addressed by the current proposals in this report. In addition to the issues raised in the petition, residents asked for:
 - additional leasehold assistance options to be offered including an Equivalent Value Transfer; Leasehold option to return and for the Council to offer an equity share product for leaseholders – this is addressed at paragraph 54
 - guarantees on rent levels – this is addressed at paragraph 84
 - a defined and dedicated support package for elderly, disabled and vulnerable residents – this is addressed at paragraph 56
 - separate rehousing options for adult members of a household – this is addressed at paragraph 43
 - 1 bedroom above need for households when they are rehoused – this is addressed at paragraph 45
 - independent financial assessments of leaseholders for council assistance – this is addressed at paragraph 49
 - Further information to be provided to leaseholders concerning Compulsory Purchase Order processes – this is addressed at paragraph 88

MEETING RESIDENT ASPIRATIONS

The rehousing offer

39. Residents have overwhelmingly indicated that moving quickly out of their current accommodation is a priority for them. In their responses to our survey and in the signed petition, residents have also indicated that between 40 and 50 per cent of residents would like to remain within the Elmington area; they have also expressed their concern over the council's ability to continue to repair their homes whilst they wait for rehousing.
40. Residents are particularly concerned about the condition of their windows. The presence of asbestos behind the panels in blocks of this type means that at best, the council can carry out patch repairs; windows cannot be replaced without significant work being carried out at significant cost to the council, and disruption to residents. There is not sufficient resource with the area repairs budget to enable these works to be carried out at present. The repairs team has indicated that should the condition of the windows in a block deteriorate further, or more resource become available, this position would be revisited.
41. Council Lettings policy does not allow for council tenants to be moved off site and then be given the option to return to the site. However, given the poor condition of the blocks in question, and the concern expressed by council tenants who wish to remain within the area, there is a case to be made for making an exception to the current lettings policy in order to enable those members of the community who wish to remain, to do so, without them having to remain in poor quality accommodation.
42. It is therefore proposed that Elmington council tenants displaced by redevelopment activity be offered the following options:
 - a) A permanent move via Homesearch with priority for displaced residents to any relets within the footprint of the Elmington estate – see Appendix 1. Where replacement housing is available during the rehousing period, residents will be prioritised for a permanent move to them via Homesearch.
 - b) Where replacement housing is unavailable during the rehousing period, council tenants will be offered a permanent move via Homesearch with the option to return to the estate within 5 years of their first move. The five year time period will start at the end of the identified rehousing period for each block in order to avoid penalising households who have moved early in the process. After the 5 year period is over, a review of the progress made on the scheme will be undertaken and resident rehousing opportunities will be re-examined. Band 1 priority will be given to displaced council tenants for any replacement housing forthcoming on the footprint of the Elmington estate and any relets and affordable homes for purchase (subject to qualification set by the provider) in the same area.
43. The above options would enable Elmington residents being displaced by redevelopment to be prioritised for any voids arising on the wider Elmington estate and any new supply coming forward, through the Homesearch Choice Based Lettings system. This would mean that where Elmington residents have bid for properties forthcoming on the Elmington estate, they will receive additional priority for them above other Southwark residents. On occasions where Elmington residents have not expressed an interest in a property on the estate, other residents on the housing list will access these properties through

Homesearch in the usual way. Given the demands on council stock, it is not proposed that a further exception to current lettings policy be sought for adult members of households to be rehoused separately. Such cases will continue to be considered on a case by case basis.

44. Taking into account the rehousing approach above and changes in the council's wider rehousing programme the Elmington rehousing programme has been drafted as appears at appendix 4. This rehousing programme was considered by the ERSG in December 2010. Concerns were raised by the ERSG about the level of support that would be offered to vulnerable households throughout the removal process; it has since been confirmed that once vulnerable households have been identified, the council's removal service for those households will incorporate packing and unpacking.
45. Current Lettings Policy allows households to bid for homes that are one bedroom above their need as part of the rehousing process, apart from where a household is assessed as being in need of a 1 bedroom property, in which case they are not eligible for a 2 bedroom property. Residents have asked for equal treatment with residents of the Aylesbury for whom an exception to the current Lettings Policy was made, enabling those eligible for a 1 bedroom property to bid for a 2 bedroom property should they wish. In the interests of equitable treatment, it is recommended that Elmington residents be granted the same exception to the current Lettings Policy.
46. It should be noted that whilst the council will be able to offer one bedroom above rehousing need to residents moving into council properties, it cannot be guaranteed that this will be offered to residents moving back to properties on the Elmington footprint once they have been developed as the new landlord will have their own lettings and allocations policies, and with the passage of time, households' circumstances may have changed.
47. In addition to the above, Elmington residents have expressed a wish to receive council assistance options for resident leaseholders as has been offered to resident leaseholders on the Aylesbury estate. This would require that a further exception be made to council Lettings policy. Currently, council Lettings policy offers resident leaseholders the option of reversion to a council tenancy if they are found to be unable to afford the ongoing costs of homeownership in the borough.
48. In practise, this can be a blunt tool for the purposes of leasehold assistance, meaning that the council may have no option other than to offer a Council tenancy to resident leaseholders with significant equity.
49. The package of council assistance that has been offered to resident Aylesbury leaseholders consists of a range of options following on from a financial assessment that is undertaken by the council's Home Ownership Service (HOS). Leaseholders have asked if this function can be outsourced to an independent provider. It is doubtful whether the scale of work concerned would be of interest to a private provider. In addition to this, the financial assessment undertaken by the HOS is rigorous and transparent and aimed to ensure that leaseholders unable to afford the costs of home ownership are not placed into financial hardship by entering into home ownership at an unaffordable level. There is a transparent and open appeals process that is open to Leaseholders undergoing this financial assessment. For these reasons, it is proposed that these assessments continue to be undertaken by the HOS.

50. For the purposes of carrying out the affordability assessment, amongst other factors, a “Southwark vacant stock market valuation” is used in determining the applicant's ongoing financial ability to afford the future costs of home ownership in a property suitable for their assessed housing need. This valuation will ultimately have an effect on the rehousing recommendation that is made. Mean valuations are calculated based on desktop valuations of vacant council-owned properties that were previously advertised on the council's choice-based lettings system over the immediately preceding three months before finalising the affordability assessment and which could also have been purchased by a qualifying homeowner.
51. Once assessed, if resident leaseholders are found to be able to afford:
- a) Less than 25% of the costs of home ownership then they are recommended for a council/RSL tenancy. Leaseholders who become Council tenants will have the same rehousing options as those listed at paragraph 39.
 - b) 25% to less than 100% of the costs of home ownership, then they are recommended for shared ownership (purchase of vacant property from council owned stock)
 - c) 100% to 110% of the costs of home - then they are recommended for full ownership (purchase of vacant property from council owned stock) although they can access the shared ownership option if desired
52. Although offering the above range of options to resident leaseholders would mean a loss of council stock available for council tenants and will require an exception to current Lettings Policy it offers the following benefits:
- a) Leaseholders who wish to maintain equity are able to do so, thereby reducing the risk to the council of a delay to securing vacant possession
 - b) Where leaseholders opt to transfer their equity to another council property it reduces the upfront cost to the council of leasehold acquisition as the council is not required to forward fund outright purchase
 - c) Where leaseholders are found to be unable to afford homeownership in Southwark, the council is already committed to offering them a council property, so no more additional properties will be lost from council stock this way than would be via the current Lettings Policy.
 - d) The council would retain first option to 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 pre-emption.
53. For the reasons above, it is therefore recommended that Elmington resident leaseholders displaced by redevelopment are offered the same range of council assistance options as has been offered to Aylesbury residents. A number of resident leaseholders have expressed a desire to remain in the area, and it is therefore recommended that resident leaseholders are given the same priority for forthcoming relets on the wider Elmington Estate and new supply as tenants, subject to qualification.

54. Residents specifically asked for consideration of three other options for leaseholders including Equivalent Value Transfer, the option to return to the site for leaseholders and a shared equity product to be offered to leaseholders unable to support shared ownership of a council property. Following investigation into these options it was found that it is not practicable for the council to offer Equivalent Value Transfer (EVT) or an equity share option for the following reasons:
- EVT: In order to justify the use of a council property for a home owner, leaseholders must be in financial need of assistance before qualifying to part own a council property. If they are in financial need then the option of transferring their equity to another council property is already open to them making the offer of an Equivalent Value Transfer unnecessary.
 - Shared equity: This option is financially unviable for the council as it would require the council to forgo rental income on any properties taken up in this manner for an unspecified period. In addition to this, the council does not have dispensation to dispose of its properties on these terms. It currently has a general consent to dispose of its properties on shared ownership terms. Officers are not aware of any council having been granted consent by government to dispose of their properties on a shared equity basis.
55. It is appreciated that not all leaseholders will be displaced at a time when replacement housing is available on the footprint of the Elmington estate. However, the council is not able to offer leaseholders the option to return to the site by way of temporary housing as it is assumed that most leaseholders will make their own way into the private market when displaced by redevelopment unless they are found to be in need of financial assistance. There are also considerable uncertainties around whether leaseholders would want to buy into new development. However, the council will seek to ensure that leaseholders displaced in this way are alerted to the initial marketing of the new properties that are developed.
56. It is also noted that the survey conducted by Open Communities in December 2010 identified a number of vulnerable households and households containing residents with disabilities. Residents who are vulnerable will be identified during the housing registration process and their particular rehousing requirements will be noted. Once registered onto Homesearch, officers will monitor bidding activity and provide support to households to enable them to successfully bid on the Homesearch system. Once residents have found a suitable property, those residents who are found to be in need of packing assistance will receive packing and unpacking assistance from the council's removal partner. Residents will also receive advice and support on how to complete the documentation required to reclaim the statutory payments of Homeloss and Disturbance.

Site disposal strategy

57. Officers have given consideration to the best method of site disposal to facilitate meeting the aspirations of residents expressed at the consultation event at Cambridge House, responses to resident surveys, the Elmington resident petition, work of the ERSG and also to ensure deliverability.
58. Providing council tenants with the option to return to the Elmington Estate means that there is less urgency around the speed of the chosen disposal strategy than would be the case if the council were working within the current Lettings policy.

59. In the current economic climate disposal by land transaction will provide the benefit of being fast to execute, economic in terms of officer and consultant resources and more attractive to developers than a procurement exercise. A procurement exercise would require significant expenditure upfront by developers as part of the bidding process and would allow developers less flexibility in responding to the fast changing economic and financial climate as it is more proscriptive. It is believed that resident requirements in terms of the affordability of new homes and the number and mix of new homes can be provided via the planning process. It is therefore recommended that sites C, D, E and G be disposed of by way of land transaction.
60. It is noted that there are a number of environmental improvements that residents have requested that could be met by way of a S106 obligation from a developer, including:
- creation of defensible space at ground floor level for retained blocks that currently do not have it
 - a review of estate wide parking arrangements
61. The council will look to engage the successful development partner on the issues above.
62. It is also noted that residents would like to be involved in the selection process for the successful developer via a design competition. The council does not intend to hold a design competition although achieving high quality design will be an integral part of the bid evaluation process. The developer selection process will be a competitive process where competing proposals for the site are put forward. The council will seek to involve residents in the evaluation process in the same way as residents have been involved in developer selection on sites 7 and 10 for the Aylesbury estate. Resident representatives will be:
- consulted on the invitation pack sent to prospective bidders
 - involved in the non-financial evaluation of the bids received.

Available rehousing and financial resources

63. The council recognises finite capacity for Residents in Regeneration Schemes moves and manages this through its Supply and Demand Model. All of the blocks identified for redevelopment as part of the Elmington regeneration scheme have been programmed into the supply and demand model in line with the timescales set out in appendix 4.
64. There will be new affordable housing supply brought forward on the Elmington estate as part of the build out of sites A and B in Phase 2 of the regeneration programme and the redevelopment of sites C, D, E and G as part of Phase 3. Sites A and B were approved for disposal to a preferred development partner by the council in February 2010. Using estimates supplied by our preferred development partner and modelling based on the size of sites C, D, E and G and planning policy requirements, estimates of the number of new homes that will be built on the Elmington have been compiled – see table 5 below. It should be noted that these figures are estimates only and the Council will not know with confidence what these numbers will be until detailed planning submission stage.

Table 5 – Estimated forthcoming housing supply by site

Site	Market	Social rented	Intermediate
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A and B	176	72	22
C	9	0	0
D	22	8	4
E	52	21	8
G	46	19	7
Total	302	120	41

65. There are 115 tenant households within the blocks identified for redevelopment that will need to be rehoused, in addition to the 4 Phase 2 households that have indicated they would like to return to the site.

66. Desktop analysis has been undertaken to determine actual levels of rehousing need amongst the blocks identified for refurbishment on the estate using housing benefit records, tenancy checks undertaken in 2010, information gathered from live applications on the housing register and the surveys conducted by the council and Open Communities. Information from these sources covers just under 70 per cent of the households in the redevelopment blocks. When considering the results of the analysis below, it should be noted that:

- Housing benefit records of household composition are accurate only at the time that they are taken; it was not possible to identify how recent these records are.
- Household composition may change over time.
- It is not possible to identify from the data examined where there is potential to split households into smaller, separate households

67. The results of the analysis indicate a likely rehousing need within the redevelopment blocks as follows:

Table 6 – estimated rehousing need

Bedneed	Number	50% return rate	Phase 1 option to return
1	39	20	
2	22	11	2
3	34	17	1
4	15	8	1
5	4	2	
6	1	1	
Total	115	58	4

68. A comparison of rehousing need and anticipated forthcoming affordable housing supply appears at table 7 below.

Table 7 – estimated forthcoming affordable supply by bedsize.

Bedsizes	Current demand		Forthcoming supply	
	Sites D,E, G 100% return rate and Phase 1 option to return	D, E, G 50% return rate and Phase 1 option to return	Total new social rented homes	Social rented homes to which Southwark can nominate (minimum)
1	39	20	26	13
2	24	13	27	20
3	35	18	48	36
4	16	9	8	6

5	4	2	2	2
6	1	1	0	0
7	0	0	0	0
Total	115	62	111	82

69. As can be seen from table 6, assuming that estimates of housing need are reasonably accurate it is currently estimated that even if all council residents on the Elmington wished to return there is a reasonably good fit between need and supply, with the exception of the number of four bedroomed homes.

The current financial context

70. The government announced a number of changes to the way in which the social homebuilding programme will be financed as part of its Comprehensive Spending Review on Wednesday 20 October 2010, including:
- A reduction in capital subsidy for new affordable homes of 60%
 - The introduction of a new tenure called 'affordable rent', which will give housing associations the flexibility to offer time limited tenancies at up to 80 per cent of market rents for new affordable lets.
71. The above announcements have made the availability of Homes and Community Agency grant funding for the Elmington less likely. This is because there will be significantly less funding available, and because the council has competing priorities, including the Aylesbury and Elephant and Castle housing schemes.
72. Following on from the announcements there was some discussion of the potential implications of the introduction of a new form of tenure for the ability of current Elmington residents to return to the Elmington estate. There was a great deal of concern that residents would not be able to afford homes let at 80 per cent of market rents. However, currently, homes let at 80 per cent of market rates would be characterised as intermediate homes for the purposes of planning, and so it is still reasonable to expect a mix of homes forthcoming similar to the one that appears at table 5. Under current planning policy, homes would need to be let at target rents in order to qualify as social rented homes and to be planning policy compliant.

RISK ASSESSMENT

Financial viability

73. In order to provide development partners with vacant possession of the sites identified for redevelopment it will be necessary for the Housing Investment Programme to forward fund leasehold acquisition, Homeloss and Disturbance costs to leaseholders and tenants.
74. There is a significant risk that the Housing Investment Programme will not be able to recoup its investment if Homes and Community Agency funding is not forthcoming for the development of sites D, E and G. This should be viewed within the context of the alternative cost to the HIP of £6.5million to refurbish these blocks.

Gaining vacant possession

75. In order to ensure that vacant possession of the tenanted sites is secured in good time the council has staggered the proposed rehousing of residents within

the blocks identified for redevelopment to ensure that residents are not all competing for similar properties.

76. The council will seek to serve Notices Seeking Possession (NSP) for all the council tenanted properties within the three development sites. The Council will seek to do this on development grounds (Ground 10). In order to obtain a court order for possession under Ground 10, the council must demonstrate that it intends, within a reasonable time of obtaining possession, to demolish or reconstruct the building or part of the building or carry out work on the building and cannot do so without securing vacant possession.
77. The council will be selling the land on which these blocks sit to a developer for demolition and redevelopment. This cannot be done without securing vacant possession of the sites. In order to ensure that NSPs are not served unnecessarily, the council will seek NSPs only once a development partner has been selected for the sites. The council will make arrangements for the blocks to be demolished in good time to meet any contractual obligations with a development partner.
78. It is currently estimated that there are 15 resident leaseholders in the Elmington blocks affected by the redevelopment. It is believed that a number of these households are retired and will therefore be unable to raise a mortgage or pay market rents on shared equity products as they no longer have a steady income beyond their pension.
79. The council will seek to acquire leasehold properties by way of voluntary agreement with leaseholders and will put in place a range of council assistance options (outlined at paras 47 to 53) for leaseholders in order to facilitate this voluntary agreement. However, disposal and redevelopment of the sites to a developer will be dependant on securing vacant possession. Delays to securing vacant possession could have financial penalties for both a development partner and the council. In order to ensure that vacant possession of leaseholder dwellings is secured in good time, the council will seek a Compulsory Purchase Order (CPO) on all three sites as a backstop. The CPO will only be used as a measure of last resort. In order to secure a CPO it is necessary to show that:
 - There is funding in place for the scheme
 - There are no obstacles to securing planning consent
80. To ensure that both of these requirements are met, the redevelopment programme ensures that CPO proceedings are not instigated until a developer has been selected and a detailed planning application has been submitted for approval.
81. Residents have been made aware of the council's intention to pursue a CPO and officers will seek Cabinet approval to make one or more Compulsory Purchase Orders in due course. Information concerning CPO processes will be made available to affected leaseholders in good time.

Meeting resident aspirations

82. Residents have expressed concern throughout the consultation period that the council will fail to deliver a regeneration scheme on the estate, given the progress made in its previous endeavours to do so. This has made achieving resident buy-in into the scheme difficult. It may be that residents will only feel

confident in expressing what they want for the area when they are convinced that the council intends to deliver its scheme.

83. It is preferable to reduce this risk by ensuring that any potential changes in resident opinion are made known to the council as soon as possible. It is therefore recommended that the council continues to engage with residents regularly throughout the regeneration process, and that it seeks to deliver some 'quick wins' on the estate, such as improvements to the Elmington nature garden. For work of this kind to be sustainable, residents would also need to be involved in establishing sustainable management processes for the nature garden. This will contribute to residents' engagement with the regeneration process.

Deliverability

84. Under a land transaction, the council can not specify requirements of developers beyond what is required for planning approval; it cannot therefore, guarantee rent levels forthcoming on the new development. There is therefore a risk that should planning requirements change significantly, disposal by way of land transaction will not be able to secure a mix of new homes that is affordable to Elmington residents and deliverable for development partners within the new funding regime for new social homes. The council will be seeking a development partner that will be willing to work to achieve the council's aims and goals, however, if this is not possible then a review of the disposal strategy will be undertaken and Cabinet will be presented with an alternative option.
85. Although all of the desired outputs that have been specified by residents during the consultation process could be provided via the preferred disposal method it should be noted that anything that residents would like that is beyond a planning requirement is not enforceable by contract.
86. The elements to be provided through the Section 106 process cannot be guaranteed via a land disposal and the elements provided will be determined through negotiation with a developer.
87. There is a risk that successful developers will be unable to build out new homes in a timely fashion. The council will consider developer capacity to deliver as part of the developer selection process. In addition to this, triggers for the granting of building leases and drawdown of the freehold will be attached to key milestones such as planning consent and building completion.
88. There is risk that without the council arranging for the demolition of the blocks on sites D, E and G itself, a court would not be satisfied that the requirements for Ground 10 had been met. Applying for Notices Seeking Possession on Ground 10 is the council's current procedure and the risk of this occurring is mitigated by phasing the rehousing programme so that the council is only seeking vacant possession of each site within a reasonable timeframe of anticipated demolition.

Conclusion and Recommended Approach

89. Having considered:
 - The desired outcomes expressed by residents throughout the resident consultation process, in particular their desire to remain in the area.
 - The poor condition of the existing Elmington blocks identified for redevelopment
 - Available rehousing capacity and

- Resources available within the Housing Investment Programme,
90. It is clear that without asking residents to continue to remain in blocks that are in poor condition for a significant period of time, and which would require significant investment to maintain, it is not possible to enable residents to remain in the area within the council's current Lettings Policy. It is also clear that the risks of failing to obtain Vacant Possession are significantly reduced by offering leaseholders who are found to be unable to purchase homes on the open market a range of council assistance options. This range of assistance options will not result in a greater loss of council stock to leaseholders than would be the case under current Lettings Policy.
 91. Within the current uncertain economic and financial climate it is proposed that sites C, D, E and G are disposed of in a manner that enables developers to respond flexibly to changes in the market and legislative environment.
 92. In order to reduce the risks to delivery of the scheme presented by delays in securing vacant possession of sites D, E and G it is also advisable to pursue a Compulsory Purchase Order.
 93. For these reasons above it is recommended that Cabinet agrees the recommendations of this report. It should be noted that the redevelopment timetable set out at table 8 is an indicative redevelopment programme only based on the information that is available currently. Should any of the assumptions made alter as the redevelopment progresses this will have an effect on the overall timetable.

Table 8: Indicative redevelopment programme

Action	Timeline
Stop letting to homes on the Elmington Estate	Forthwith
CLG dispensation to use Council properties for shared ownership	Application sent off after Cabinet approval.
Demolition notices served	In response to Right To Buy applications
Compulsory Purchase Order obtained	One year post planning permission on sites D, E and G.
Redevelopment of site C	
Marketing of the site	Spring 2011
Expressions of interest	Summer 2011
Shortlisting of developers	Autumn 2011
Disposal report to Cabinet	Autumn 2011
Exchange of contracts	Spring 2012
Vacant possession	Spring 2013
Planning application submitted	Autumn 2013
Planning consent received	Spring 2014
Works start on site	2014
Completion	2015

Action	Timeline
Redevelopment: D, E and G	
Marketing of the sites	Summer 2011
Expressions of interest	Autumn 2011
Shortlisting of developers	Winter 2011
Disposal report to Cabinet	Winter 2012
Exchange of contracts	Autumn 2012
Planning application submitted	Winter 2013
CPO made	Winter 2013
Planning consent received	Autumn 2013
CPO confirmed	Winter 2014
General Vesting Declaration served	Spring 2014
No objections/ with objections VP achieved (leaseholders)	Spring 2014/Spring 2015
Site D & E Start on site	2014/15
Site D & E Complete	2016/17
Site G Start on site	2014/15
Site G Complete	2017/18
Rehousing site D	
Issue letters of notice of intent to residents	March 2011
Leaseholder financial assessments start	March 2011
Referencing & registration of residents	May 2011
Letters advising of bid activation dates	May 2011
Activation date	June 2011
Letter of intent to serve Notice Seeking Possession	August 2012
NSP served	November 2012
End of bidding period and move to direct offers	December 2012
Vacant possession (tenants)	November 2013
Rehousing site E	
Issue letters of notice of intent to residents	March 2011
Leaseholder financial assessments start	May 2011
Referencing and registration of residents	November 2011
Letters advising of bid activation dates	November 2011
Activation date	December 2011
Letter of intent to serve Notice Seeking Possession	February 2012
NSP served	May 2012
End of bidding period and move to direct offers	January 2013
Vacant possession (tenants)	September 2013
Rehousing site G	
Issue letters of notice of intent to residents	March 2011
Leaseholder financial assessments start	November 2011
Referencing and registration of residents	July 2012
Letters advising of bid activation dates	August 2012
Activation date	September 2012
Letter of intent to serve Notice Seeking Possession	December 2012
NSP served	March 2013
End of bidding period and move to direct offers	September 2013
Vacant possession (tenants)	April 2014
Resident Consultation	

Action	Timeline
RSG Meetings	Monthly
Newsletter to Elmington residents	Regularly
Elmington features in Southwark Housing News	When appropriate
Series of resident activities surrounding forthcoming redevelopment and opportunities for community benefit	When appropriate

Community impact statement

94. There is a well established community living on the Elmington estate currently. The information gathered from the survey undertaken by Open Communities in December 2010 indicates that close to 50% of residents have lived on the estate for more than 10 years, with 35% of residents having lived there for more than 20 years. It is likely that these residents have established significant connections and built up support networks with other residents in the area. Offering these residents the option to return to the Elmington estate will contribute to enabling those connections to remain established.
95. Analysis of Census data from 2001 (the latest we have available) of the four output areas within which the affected Elmington blocks sit reveals that the dominant tenure in the area is social rented at 75% of all households. This compares to a boroughwide average of 44% (using Housing Requirements Study data from 2010). New development forthcoming on the footprint of the Elmington area will provide a minimum of 35% affordable housing as is required by planning. These homes will continue to be provided at an appropriate level of affordability for Southwark residents. The properties that are built on the Elmington will not be ringfenced for Elmington residents. Where Elmington residents bid for properties that are made available on Homesearch they will receive priority, but where no bids are received from Elmington residents, properties will not be held vacant, they will be let to other bidders on Homesearch.
96. New development will introduce a significant number of new homes available for shared and homeownership for Southwark residents. Additional community benefit will arise from developer contributions as a part of the redevelopment process, the precise nature of which will be subject to negotiation with the developer.
97. The survey carried out by Open Communities in December 2010 indicated that the largest ethnic group living on the estate was white British at 34% of respondents. The next largest groups are Black British (including Caribbean) at 28% and African at 20%, with smaller populations of Irish, White Other, Bangladeshi and Asian other at 4% or less. This is broadly reflective of the information gathered from analysis of 2001 Census data, indicating that the ethnic makeup of the estate has not changed significantly over the last 9 years. It is not anticipated that the regeneration proposals will have a disproportionate effect on any one particular ethnic group. However it is recognised that it is likely that there are households living on the estate for whom English is not the first language. Indications of the availability of translation services for those who need them will be made available on all literature sent to Elmington households concerning the regeneration.
98. 2001 Census data indicates that roughly 13% of council tenants in the area are of retirement age. Open Communities interviewed a number of households as

part of their survey process in December 2010. The survey by Open Communities found that there are considerable support needs for many elderly and disabled residents to make the process of moving less daunting. Many elderly residents reported that they were concerned about the moving process and the practicalities of how it will work, particularly where they have not moved themselves for over 20 years, and when they were much younger and fitter. There were examples of elderly parents being cared for by both sons and daughters across the estate.

99. Around 10% of households indicated they had a household member with a serious disability. This is likely to be an under-reporting of disability. Households with disabled residents proposed for refurbishment were concerned about the effect of the works on disabled residents. The information provided to individual residents before the refurbishment process should identify where there are households with disabilities or mental health problems to make sure they get the support they need before and during the refurbishment works.
100. Tenants with disabled household members in blocks proposed for demolition were concerned that they would be offered suitable accommodation with adaptations to enable independent living. This included ground floor accommodation, stair lifts and wheelchair accessible accommodation. Southwark, along with many other boroughs has a low level of supply of accommodation for people with disabilities. Where there are household members with a disability early engagement is needed to assess their needs and to allay their fears, and to make use of the separate register for adapted properties.
101. It is considered that the council's existing rehousing process, as set out at paragraph 56, will provide the necessary support required by disabled and elderly households to address the above concerns.
102. Information pertaining to religious belief has been gathered from analysis of Census data. This reveals that the majority of residents in the area are Christian (66%) with Muslim and Hindu households making up less than 10% of the population in the area. It is not anticipated that any of the proposals contained in this report will have a disproportionate impact on these groups.
103. The Open Communities survey asked respondents if they were employed, whether they were looking for work and whether they were interested in training to set up their own business. Most residents who responded were employed (56%) and a further 24% were looking for work. Making a broad comparison with boroughwide figures taken from the Census, this would seem to indicate that employment levels are lower amongst Elmington residents than the borough average (70%). It should be noted that the sample provided by respondents to the Open Communities Survey is relatively small. However, residents responding to the survey expressed interest in training concerning how to start up their own business.
104. The regeneration proposals within this report do not attempt to address issues of worklessness directly. However, it is likely that there will be employment and business opportunities that arise as part of the redevelopment activity taking place within the area. Current Southwark planning policy places a requirement on developers to source local labour and materials when developing in an area. It should also be noted that there is significant regenerative activity anticipated in the broader Camberwell area that Elmington residents will be able to benefit from.

105. Residents of the blocks identified for regeneration are currently occupying homes that do not meet the government standard for decency. The regeneration of the Elmington Estate will enable residents currently living within these homes to move into better quality accommodation. In offering residents the option to return to the estate residents will be able to move into better quality accommodation, earlier, than would be the case by working within the current Lettings Policy.
106. The regeneration proposals contained within this report assume that the services offered by the Camberwell Area Housing Office are located elsewhere as part of broader reviews of service provision through housing offices and of other office accommodation and customer service provision through the revised office accommodation strategy. The impact of this relocation is therefore not assessed here.
107. The Elmington RSG has expressed concern to monitor the impact of the regeneration on residents on the estate throughout the process to ensure that where particular members of the community experience disproportionate impacts, every effort is made to reduce these. It is therefore proposed that Council officers agree with the Elmington RSG an appropriate community impact monitoring framework that can be updated regularly as part of the regeneration project.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Property

108. The Head of Property concurs that the recommendation in paragraph 2 of the report is the most appropriate method of regenerating Sites C, D, E and G of the Elmington Estate.
109. In consideration of the proposed implementation programme and residents aspirations, land disposal is the most appropriate method to regenerate Phase 3 of the Elmington Estate. One of the key requirements outlined in the report is to seek a quick solution to regenerating the estate. With disposal of sites in the open market, regeneration will be bought forward quickly, as best consideration and inward investment without cost to the council. Developers will bear the costs of obtaining planning consent, demolition (as required), construction, finance and development risk.
110. If the cabinet approves the recommendations then the land disposal programme and marketing can commence shortly afterwards. It is important to note that the proposed timescales are only provisional and subject to change. There are many factors that can alter these and whilst they can be managed it is not possible to eliminate these risks altogether.
111. It will be necessary to obtain vacant possession of the sites before construction can commence. The report contains a number of recommendations to enable the decanting of the buildings on the sites to allow vacant possession to be obtained. This process can run in conjunction with the selection of the development partner and the planning process, thus reducing delay.
112. The financial investment implications, as noted in report on the closed agenda accord with the Property Disposal and Valuation report approved by the Head of Property on the 7th October 2010. The Disposal and Valuation report set out the site values, as at that date, assuming HCA grant is available and is not available.

The disposal of the sites will generate a land receipt that meets statutory requirements including best consideration.

Strategic Director of Communities, Law & Governance

Consultation

113. The report recommends an indicative implementation programme for the redevelopment of sites C, D, E and G and re-housing options for residents displaced by the redevelopment. Many of the properties on sites D, E and G are occupied by council secure tenants. Section 105 Housing Act 1985 requires the council to consult with its secure tenants on matters of housing management, which in the opinion of the council as landlord represents a new programme of maintenance, improvement or demolition, or a change in the policy or practice of the authority and is likely to substantially affect secure tenants either as a whole or a group of them. The proposed implementation programme and re-housing options recommended by the report are likely to substantially affect secure tenants on the proposed redevelopment sites. The report sets out the consultation that has taken place to date and the outcome of consultation. Cabinet members should take the outcome of consultation that has taken place into account when making decisions on the proposals.

Re-housing

114. In the case of secure tenants, the council is required to provide suitable alternative accommodation under the relevant grounds for possession in housing legislation. The council has discretion as to how it achieves this. Members are advised that provision of alternative accommodation by way of a clear and transparent policy is prudent. The council makes provision in its lettings policy for a special scheme that applies to re-housing of tenants and homeowners on regeneration schemes. The proposal set out in this report represents a variation to the current policy as it relates to regeneration schemes particular to the Elmington scheme.
115. Occupying leaseholders displaced by redevelopment are not generally entitled to be re-housed by the council. However in certain circumstances the limited duty to provide suitable alternative accommodation to persons displaced by redevelopment under section 39 of the Land Compensation Act 1973 may be engaged. There is provision in the council's current policy for the rehousing of homeowners displaced by redevelopment. The re-housing options proposed in this report for occupying leaseholders go beyond the re-housing requirements of the Land Compensation Act. Section 2 of the Local Government Act 2000 provides the council with power to do anything which it considers is likely to achieve any one or more of the objectives of the promotion or improvement of the economic, social and environment well-being of their area, which may be exercised in relation to or for the benefit of the whole or any part of the authority's area, or all or any persons resident or present in the authority's area. Section 2 would give the council the power to introduce the proposed options provided members are satisfied that they meet one or more of the objectives referred to above; the report sets out the reasons for the recommendation in paragraph 52. Members are advised to have regard to the council's community strategy in the exercise of this power.
116. While the council will endeavour to re-house residents on sites D,E and G by agreement under its re-housing policy, in the absence of agreement, the council will need to apply the appropriate legal processes to obtain possession. In the

case of leaseholders, in the absence of agreement, the council could only acquire their interests in the property under a compulsory purchase order. In the case of secure tenants, while the council may also obtain possession of tenanted properties under a CPO, in the absence of agreement, the council's usual practice is to secure possession under a court order using housing legislation. However, a court order will only be granted if the council is able to satisfy the court that one of the grounds set out in Schedule 2 of the Housing Act 1985 is made out. Schedule 2 contains two mandatory 'regeneration' grounds; Ground 10 and Ground 10A. In respect of both grounds, the council must provide suitable alternative accommodation to the tenant. Ground 10 may be relied on where the council intends, within a reasonable time of obtaining possession to demolish or reconstruct the buildings or part of the building or carry out work on the building and can't reasonably do so without obtaining possession. Ground 10A may be relied on where the Secretary of State has approved a redevelopment scheme and it is intended to dispose of the properties on the approved scheme within a reasonable time of obtaining possession. The process involved on an application for the Secretary of State's approval for the purpose of ground 10A means that it is likely to take longer to obtain possession pursuant to this ground than with ground 10 where the approval of the secretary of state is not required.

117. The council does not intend to reconstruct or carry out work to the buildings on sites D, E and G so it will only be able to rely on Ground 10 as a ground for possession if it is intended to demolish the buildings within a reasonable time of obtaining possession. There is a risk that unless the council arranges for demolition of the buildings a court may not be satisfied that ground 10 conditions are made out. As an alternative to using ground 10, the council may elect to make an application to the Secretary of State for approval of the redevelopment scheme for the purpose of using Ground 10A. If Secretary of State approval of the redevelopment scheme is obtained, the council will not need to satisfy the court that it intends to demolish the buildings. However, the process involved on an application to the Secretary of State may lead to a delay in the indicative timetable for the implementation programme set out in the report. The council will need to keep the availability of grounds for possession under review as plans for the redevelopment programme progress.

Home loss and disturbance payments

118. Home loss and disturbance payments are payable to eligible displaced residents under the Land Compensation Act 1973. In certain situations the council must make payments to those entitled. In other situations the council has discretion to make payments.
119. Qualifying residents who are permanently displaced from their homes as a consequence of the carrying out of any improvement or of redevelopment on the land occupying properties as their only or main residences throughout the period of one year ending with the date of displacement ('qualifying period'), will be entitled to home loss payments. Discretionary payments may be made to those occupying properties as their only or main residences at the date of displacement but who have not done so throughout the 'qualifying period'. Persons occupying temporary accommodation under homelessness legislation are not eligible for home loss payments. Qualifying residents will also be eligible for disturbance payments following displacement.
120. As to home loss payments, the amount payable is fixed by law; in the case of owner occupier leaseholders it amounts to 10 per cent of the value of their property subject to a maximum threshold of £47,000 and a minimum threshold of

£4,700. Non-resident leaseholders (i.e. investors) are entitled to a basic loss payment of 7.5% of the value subject to a maximum of £75,000. In any other case e.g. secure tenants, a flat rate of £4,700 is applicable.

121. Disturbance payments cover the reasonable expenses of a person entitled to payment in removing from the land from which he is displaced. The amount payable is not fixed and it is for the displacing authority to decide in the first instance what is reasonable. Any dispute may be taken to the Lands Tribunal for determination.

Land disposal

122. The Cabinet is advised that the Elmington sites ("the Sites") are land held for housing purposes and any disposal of them can only proceed in accordance with Section 32 of the Housing Act 1985 (as amended), for which purposes the consent of the Secretary of State for Communities and Local Government is required ("CLG"). However, a number of general consents have been issued in The General Housing Consents 2005 which permit the sale of housing land, provided that certain conditions are met. The precise terms of the disposal of the Sites are not yet known. However, the Cabinet will note from Table 8 set out in this report, that disposal reports will be submitted to the Cabinet on the dates specified, at which time the terms will be known and it will be clear as to whether the disposals are permitted under the General Disposal Consents 2005 or require CLG consent. Prior to any disposal of the Sites the Strategic Director of Housing must formally declare the Sites surplus to the Council's housing requirements
123. It is recommended that the redevelopment of sites C, D, E and G are by way of a land disposal. Land disposals are not subject to the requirements of the Public Contracts Regulations 2006 and as such the council is not obligated to follow an EU public procurement competitive tendering process to sell the land to a private developer.
124. The council will need to ensure that the sale of these sites complies with the meaning of a land disposal for the purposes of those Regulations and is not a "public works contract" – which is subject to the Regulations and for which the council would be legally obligated to follow an EU public procurement competitive tendering process.
125. To qualify as a land disposal, the council will need to ensure that the primary purpose of the development agreement is to sell the sites. The council may not put any obligation on the developer to carry out works or to provide housing management services, unless such works and services are incidental to the sale of the land and such obligation falls within the council's powers as a planning authority and can be captured in a section 106 agreement. Paragraphs 84 to 88 of this report notes possible risks with deliverability by use of a land disposal, and how those risks might be mitigated'.

Planning

126. The report envisages regeneration of Phase 3 of the Elmington Estate through the land disposal route subject to planning permission being granted for redevelopment. The Council as local planning authority will determine any planning application(s) for the sites in accordance with the development plan unless other material considerations dictate otherwise. As there is no relevant

Area Action Plan the most relevant policies of the development plan guiding development on the site would be the Core Strategy.

127. It should be noted the Community Infrastructure Levy Regulations 2010 ("CIL Regs") are in force and would apply to a "relevant determination" (if made on or after 6 April 2010). Therefore the CIL Regs would apply to any planning permission issued in respect of Phase 3. As such the Section 106 obligations in respect of the site would be subject to Regulation 122 "limitation on use of planning obligations", namely in order to constitute a reason for granting planning permission any obligation(s) must be:

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and
- (c) fairly and reasonably related in scale and kind to the development

128. As the disposal and any proposed scheme progress, the CIL Regs and in particular any infrastructure requirements triggered by the scheme and the appropriate mitigation mechanisms should be kept under review. Section 106 obligations would be used to mitigate adverse impacts flowing directly from and reasonably related to the proposed development. Section 106 obligations attaching to any permissions issued in respect of Phase 3 could be used to prescribe the standards of development set out in policy in terms of design, housing and tenure mix (and other relevant planning considerations). Members should note that the Section 106 obligations take effect in the event that any consented scheme is implemented to mitigate the adverse impacts of development. Section 106 agreements would not generally prescribe timescales for delivery of a scheme. Planning permissions have a lifespan of 3 years within which a scheme must be implemented before it lapses. There may be good planning reasons for granting shorter planning permissions. Section 106 agreements must be used for proper planning purposes and as with development agreements may be subject to similar constraints arising from EU Procurement Directives.

Finance Director

129. The comments of the Finance Director, and the detailed financial implications of this report are included in a separate report on the closed agenda with paragraphs numbered 73-131.

BACKGROUND PAPERS

Background Papers	Held At	Contact
May 2009 Executive report	Housing Strategy & Regeneration Tooley Street	Maurice Soden on 020 7525 1292

APPENDICES

Appendix	Title
Appendix 1	Footprint of Elmington estate
Appendix 2	Map of regeneration proposals
Appendix 3	Resident survey analysis
Appendix 4	Rehousing timeline

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration and Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Jennifer Daothong, Project Officer, Estate Regeneration Team	
Version	Final	
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Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Head of Property	Yes	Yes
Finance Director	Yes	
Cabinet Member	Yes	No
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