

Item No. 11.	Classification: Open	Date: 9 May 2017	Meeting Name: Cabinet
Report title:		Aylesbury Regeneration Programme Delivery	
Ward(s) or groups affected:		Faraday	
Cabinet Member:		Councillor Mark Williams, Regeneration and New Homes	

FOREWORD - COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES

Southwark Council and our partner Notting Hill Housing Trust remain committed to delivering this vital project, to build the new homes our residents need, to support them through the regeneration process, and ensure that they directly benefit from the investment we are making into the area. The council and Notting Hill are making good progress on the estate, as detailed in this report since the CPO Inquiry was held we have settled with a further 9 leaseholders meaning only 7 now remain. Demolition of the vacant blocks is progressing well, with 8 local residents now working for the contractor Erith on site. Planning permission was also granted in September for Plot 18 which includes the community facilities, and in April planning was granted for a new Approved Premises Facility to replace Ellison House which is currently on the first development site (FDS). In addition tenants and leaseholders continue to move from phase 2 (Wendover and the 11 blocks to the east) with nearly 500 now moved into their new homes.

The council and Notting Hill have worked in partnership to develop a plan to deliver the new homes on the FDS and Plot 18. This report details those proposed changes which will see construction begin on vacant plots at the beginning of 2018 with the first new homes – including social rent and extra care homes – starting to complete from the end of 2020. The proposed changes also increase the amount of affordable housing across the FDS and Plot 18, including some larger social rent homes and a significant increase in over 100 new shared ownership homes that will enable local people to get a foot on the property ladder. At the same time we have continued, and will continue, to talk to and work with the remaining three resident leaseholders to find them new homes.

Due to the ongoing repair and maintenance problems in phase 3 this report also seeks authorisation to consult with the residents in phase 3 on whether they would prefer to wait for the decant of their blocks to wait until the new homes on phase 1 are ready, or to have the option to bring their decant forward and enable them to move to new and available council and other social rent homes in the local area that will be ready between now and the end of 2020. Under the latter option the residents of phase 3 would also be able to wait and move directly into the new homes when they are ready on phase 1. Rather than the council making this decision for the residents we feel it is crucial that we consult with them, explain the options, and listen to what they say. The findings of this consultation will be reported to a future cabinet meeting for a decision on whether to proceed.

RECOMMENDATIONS

1. Note the significant progress made since September 2016 in taking forward the regeneration of the estate.
2. Note the variations to the detail of the developments on the First Development Site and Plot 18 which are subject to a revised planning application.
3. Agree to consult affected residents about bringing forward the start of rehousing programme for Phase 3 and to bring the decision on whether to start the rehousing of this phase to a future cabinet meeting.
4. Note the increases in the jobs and apprenticeships targets.
5. Agree the basis of the new Delivery Agreement with Notting Hill Housing Trust.

BACKGROUND INFORMATION

6. On 20 September 2016, cabinet considered two reports – Aylesbury Regeneration Delivery and Aylesbury Regeneration Delivery – Supplemental Report. Cabinet agreed:
7. To approve a series of actions as set out in paragraphs 10 to 14 of the substantive report to bring forward the delivery of the Aylesbury regeneration programme namely:
 - The council funding directly the demolition of the First Development Site and Plot 18
 - The council underwriting design fees on Plot 18 and Phase 2 in order to progress planning applications
 - The council bringing forward funding for the approved premises facility.
8. To delegate approval of the final terms of the agreed actions, as set out in paragraphs 9 to 13 of the substantive report to the director of regeneration.
9. To note that the capital programme monitor in November will include funding provision for Phases 3 and 4 and the community facilities included in Plot 18.
10. In the light of the recent Secretary of State decision on the CPO for the First Development Site, it is also further recommended that:
 - a) The council should proceed with funding the partial demolition of the First Development Site on land where there are no outstanding third party interests. The agreement to the scope of the contract and the revised cost to be delegated to the chief executive for approval;
 - b) That cabinet note that due to the CPO decision that any additional costs arising from the delay of the demolition of the First Development Site will need to be identified and will be subject to future approval by cabinet
 - c) The council should review the development proposals for the First Development Site to take account of the phased demolition; and

- d) The council should make an application to the High Court for the Secretary of State decision to be reviewed.

11. On 7 February 2017, the capital monitor report approved the funding provision of £35m for the community facilities in Plot 18.

KEY ISSUES FOR CONSIDERATION

Vision for the Aylesbury Regeneration Programme

12. The vision developed through the Aylesbury Area Action Plan process was for a successful neighbourhood incorporating the highest design standards, a good mix of uses and a layout that will meet the needs of current and future generations.
13. The Development Partnership Agreement with Notting Hill Housing Trust was signed on 28 April 2014. The key outputs from this Agreement are:
- The development of 3500 homes over a period of 20 years. 50% of these homes would be affordable of which 75% would be social rented and 25% shared ownership or shared equity
 - The creation of 1400 new local employment, apprenticeship and training opportunities.

Progress on Scheme Delivery

14. The demolition contract for the FDS was let by Notting Hill Housing Trust (NHHT) to Erith Contractors Limited on 28 November 2016. In accordance with the September 2016 Cabinet report, the contract was let to allow a phased demolition of blocks as they become vacant. The first phase of the demolition contract comprised Bradenham and Chartridge (blocks 77-105, 69-76 and 104-119). The demolition programme is anticipated to complete in mid 2020.
15. NHHT have developed a programme to start the new build contract on the FDS as plots of land are released by the demolition works. The anticipated programme of completions, which is subject to vacant possession of remaining blocks, is as follows:

Year	Social rented	Shared Ownership	Extra Care Social rent	Extra Care Shared Ownership	Private sale	Market	Total
2020	29				5		34
2021	41	22	42	10	2		117
2022	115	48			27		190
2023	78	98			102		278
2024	36	41	0	0	96	48	221
Total	299	209	42	10	232	48	840

16. The planning application for Plot 18 was approved on 6 December 2016.

17. The demolition contract for Plot 18 was let by Notting Hill Housing Trust to Erith Contractors Limited on 19 December 2016. The blue huts have been removed and 300-313 Missenden is currently being demolished.
18. The new build contract for Plot 18 will start on site in 2018 once service diversions have taken place and complete in early 2021.
19. The planning application for the approved premises facility was approved on 28 March 2017. The contract will start on site in early 2018 and complete in 2020.

Update on FDS CPO

20. A pre-action protocol letter was sent by the council to the Secretary of State on 7 October 2016. An application for permission to seek judicial review was made by the council in the High Court on 27 October 2016. On 21 December 2016 the council received the decision of the Honourable Mr Justice Dove not to grant permission for judicial review based upon his review of the papers. The council requested an oral hearing of the case. On 18 January 2017 at the oral hearing the Honourable Mr Justice Collins granted permission for the judicial review. The substantive hearing is scheduled for 9 May 2017. An update will be given at cabinet but a decision will not be handed down until some time after the hearing.

Update on vacant possession

21. On the FDS, the Council has recently secured possession of 28 Arklow through negotiation. There are now currently 7 leasehold interests on the site.
22. On Phase 2, 154 tenants and 68 leaseholders remain. 483 vacant properties are in use for temporary accommodation.

Revisions to FDS and Plot 18

23. As part of the detailed assessment of bringing forward the new build on FDS and Plot 18, NHHT have reviewed the tenure mix. In addition through more detailed design, the capacity of the site has increased by 10 homes. The proposed amendments are below:

	Base FDS	Base Plot 18	Base total	Revised FDS	Change to FDS	Revised Plot 18	Change to Plot 18	Revised total	Changes to total
Social rent	304	46	350	341	37	17	-29	358	8
Shared ownership	102	10	112	219	117	6	-4	225	113
Market rent	48	0	48	48	0	0	0	48	0
Private sale	376	66	442	232	-144	99	33	331	-111
Total	830	122	952	840	10	122	0	962	10

24. The benefits of this revised tenure mix for these sites are that there is increased provision of social rented and shared ownership homes which facilitates rehousing and less potential for saturation of the private sale market. The revisions are under

discussions with planners and an appropriate process for consideration will be followed.

25. Although the revised tenure changes to the two sites do not alter the overall tenure split of the masterplan, they do alter the tenure distribution within the agreed masterplan for the regeneration of the whole estate. It is considered that although Plot 18 now has a lower percentage of affordable homes, the surrounding developments as part of Phase 2 and 3 and Harvard Gardens ensure that this part of the new neighbourhood retains a mix of housing tenures. The revised tenure plan is attached as Appendix 3.

Phase 3 rehousing

26. Under the current programme, it was anticipated that Phase 3 (Taplow, Northchurch 1-56, 184 East Street and 218 East Street) would be activated for decant in 2018 allowing vacant possession by 2021. Phase 3 is currently comprised of 224 tenants and 24 leaseholders (13 resident and 11 non-resident). Cabinet have previously agreed that early buybacks of leaseholders including Phase 3 could take place and to date 17 leaseholders in this phase have sold back to the Council (and are not included in the figures above).
27. Without considerable investment, it is considered that the properties in Phase 3 would not have more than a five year life.
28. As part of the development programme for sites in East Walworth, Newington and Faraday (excluding Aylesbury) there are 655 homes scheduled for completion between 2017 and 2021 of which 198 are social rented. The new homes at Stead Street and Harvard Gardens have proved very popular with Aylesbury residents in earlier phases. By activating Phase 3 tenants sooner, the opportunity for priority moves to the new social rented homes completing in the area will be increased.
29. The rehousing programme for the Aylesbury regeneration assumes that a number of Phase 3 tenants are able to move into new social rent homes on the FDS and Plot 18. It is anticipated that the new homes on FDS and plot 18 will start being available for letting in mid 2020. The option of moving to the new social rent homes at FDS and Plot 18 will be available to Phase 3 tenants.
30. It is proposed that tenants and leaseholders in Phase 3 are consulted about the option of moving the activation date forward for rehousing from August 2018 to August 2017. The results of the survey will be reported to a future cabinet meeting who will consider whether to activate the rehousing.
31. As part of the rehousing process for tenants and leaseholders, an equalities impact assessment will take place.
32. A report will be presented to cabinet at a future date to seek approval to commence CPO proceedings for Phase 3 should this become necessary.
33. Properties made void through the decant process in Phase 3 will be used for temporary accommodation where feasible.

Jobs and apprentices

34. As part of the Development Partnership Agreement with NHHT, there are a series of Developer Performance Indicators (see Appendix 1) which include training and employment targets for the First Development Site. The proposal set out in Appendix 1 would increase the number of unemployed Southwark residents supported into employment and sustained work for 6 months from a target of 170 to 224 (with an Excellent Target of 246) and increase the number of apprentices or equivalent traineeships at level 2 or above from 73 to 98 (with an Excellent Target of 119).

Delivery Agreement

35. As there have been significant steps in moving forward the regeneration programme for the Aylesbury Estate, it is considered opportune for the council and NHHT to restate the partnership commitments that underpin the programme. The draft Agreement (Appendix 2) sets out clear dates for delivery, the commitment from NHHT to assist in rehousing tenants, the commitments around key indicators such as job creation and the commitments around investing in community bodies.

Community impact statement

36. The development of new social rented homes on the FDS and Plot 18 will provide high quality homes for tenants from Aylesbury Estate and other tenants in the Borough to move to. The provision of the new library, health centre and other community facilities at Plot 18 will serve the wider area of Walworth and the Old Kent Road. NHHT will continue to deliver a varied programme of community engagement activities and events, which last year saw nearly 3,000 attendances from local residents. The community engagement programme allows residents to participate in the transformation of their neighbourhood while providing an opportunity to update people on the regeneration and do some myth busting. Local communication and media activity evolves out of and responds to the messages and feedback NHHT hear at these events. The council and NHHT will continue to use digital, print and face to face communications to provide updates on key milestones and development progress, while also promoting stories about the social and economic impact of the regeneration on people living and working in the area.

Resource implications

37. The workstreams of demolition on FDS and Plot 18 are being contained within the budgets outlined in the 20 September 2016 cabinet report. As set out in that report, as the demolition of the FDS is taking place on a phased basis when blocks are made available the overall cost of the demolition contract cannot be fixed at this stage. A further report will be presented to a future cabinet meeting on this contract.
38. As set out in the September 2016 cabinet report, an additional allocation of funding from the HRA is required to enable all of the leasehold interests in Phase 3 and 4 to be acquired. The funding implications will be set out in a future capital monitor report.

Legal implications

39. These are set out in the concurrent from the director of law and democracy below.

Financial implications

40. These are set out in the concurrent from the strategic director of finance and governance below.

Consultation

41. The draft proposals set out in this report have been discussed with the Creation Trust Board. Paragraph 30 outlines that residents in Phase 3 will be consulted over the rehousing programme.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

42. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:

- a) eliminate discrimination
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

43. Relevant protected characteristics for the purposes of the Equality Act are:

- Age
- Civil partnership
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex and sexual orientation.

44. Paragraph 31 of this report confirms that an equalities impact assessment will be carried out as part of the rehousing process for tenants and leaseholders in Phase 3. The results of this assessment will enable the council to have due regard to the possible effects of the process on any groups sharing a protected characteristic in order to discharge its public sector equality duty. Where any disproportionate effects are anticipated, the council will seek to mitigate these wherever possible.

45. Paragraph 30 confirms the proposal to consult with tenants and leaseholders in Phase 3 about the option of moving the activation date forward. The law requires that consultation must be undertaken when proposals are still at a formative stage, must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response, must allow adequate time for interested parties to consider proposals and formulate their response and the outcome of it must be conscientiously taken into account when the ultimate decision is taken. These are the central requirements for fair and proper consultation and should be applied at all stages of the consultation process.

Strategic Director of Finance and Governance (FC16/050)

46. This report is requesting cabinet to note the progress and developments on the Aylesbury Regeneration programme as reflected in the recommendations and detailed within the main body of the report.
47. The strategic director of finance and governance notes that there are no financial implications arising from this report as the programme of works outlined in this report is being contained within current approved budgets and any future funding requirements will be subject to separate reports for formal approval by cabinet.
48. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Aylesbury Regeneration Delivery Cabinet 20 September 2016	Regeneration South Chief Executives 160 Tooley Street London SE1 2QH	Neil Kirby 020 7525 1878
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5373&Ver=4 (Item 12)		
Aylesbury Regeneration Delivery – Supplementary Report Cabinet September 20 September 2016 (Item 12a)	Regeneration South Chief Executives 160 Tooley Street London SE1 2QH	Neil Kirby 020 7525 1878
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5373&Ver=4 (Item 12a)		

APPENDICES

No.	Title
Appendix 1	Developer Performance Indicators
Appendix 2	Draft Delivery Agreement
Appendix 3	Tenure Plan

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams, Regeneration and New Homes	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Neil Kirby, Head of Regeneration (South)	
Version	Final	
Dated	25 April 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Director of Law and Democracy	Yes
	Strategic Director of Finance and Governance	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	25 April 2017