

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> May 23 2005	<b>Meeting Name</b> Executive
<b>Report title:</b>		Wooddene Estate Regeneration - Update	
<b>Ward(s) or groups affected:</b>		Livesey Ward Residents of 1-317 Wooddene, 1-11 & 15 Carlton Grove and 153-157 Meeting House Lane	
<b>From:</b>		Strategic Director of Housing	

### RECOMMENDATION(S)

1. That Members note the progress made on decant and leasehold acquisition undertaken as part of the scheme.
2. That Members endorse the next stages in working up the scheme and in particular the development of a planning brief.
3. That Members acknowledge the commitment to the Peckham Settlement being part of the Wooddene development.

### BACKGROUND INFORMATION

4. On the 25<sup>th</sup>/26<sup>th</sup> January 2000 Strategic Committee/Full Council agreed that Wooddene was to be demolished as part of the Southwark Estate Initiatives (SEI) and a proposal developed for the site.
5. The redevelopment site includes the Wooddene block on the Acorn estate consisting of 317 units and 7 units at 1-11 & 15 Carlton Grove, a total of 324. No's 153-157 Meeting House Lane adjoins the Wooddene block and it is anticipated that these units will also need to be decanted temporarily in order to facilitate the demolition of Wooddene. MouchelParkman have been appointed as structural engineer consultants to determine the number of units likely to be affected.
6. On the 29<sup>th</sup> July 2003 Executive agreed the following in respect of the Wooddene decant policy.
  - a) That an exception to the decant policy for the decanting of Wooddene to be agreed.
  - b) That officers negotiate to maximize the level of affordable housing built as part of the redevelopment of the site within the financial constraints of the scheme.
  - c) That officers offer tenants being decanted the option of moving back to the affordable housing built as part of the redevelopment of the site whilst making clear that this option would necessitate the tenant making two moves.
  - d) That officers write to all residents of Wooddene ensuring appropriate community languages are used informing them of this decision and set a date for a further public meeting in September to discuss the way

forward.

In respect of point 5c - 103 households have registered an interest in being offered alternative housing on the new development.

7. Reletting of the Wooddene ceased in May 2002 and a referencing exercise to establish the housing needs of tenants began in September 2003. The active decant of residents began in June 2004 on completion of the referencing exercise. To date 147 of the 324 units are currently void with 81 of these units in use as temporary accommodation.
8. At the start of the decant process in June 2004 there were 29 natural voids, this figure has since increased to 147. On this basis it has been calculated that decant is taking place at the rate of an average of 28 units per quarter.
9. To date there has been a working assumption based on knowledge of the structure, that Wooddene would need to be demolished at one time, even though technically it could be decanted in stages, subject to the appropriate arrangements being in place. Advice from structural engineers and a demolition contractor suggest that a phased demolition is possible by the use of temporary strengthening. Although there would be some advantages to a phased development, it is assumed that the impact on residents would be too great and that effective management would not be achievable at any practical level. Therefore decant and schemework proposals will continue to assume a single stage process for the time being.
10. The Peckham Settlement Project are a community based organisation based located in a section of converted terraced Victorian housing in Friary Road close to the Wooddene site. The Settlement has been investigating options to relocate to more modern purpose built premises one of which was to become part of the redevelopment of the Wooddene site. The Settlement's aspiration is that a new building on the Wooddene site could function as a Children's Centre programme which as well as providing an improved childcare service would as well as meeting wider community needs.

## **KEY ISSUES FOR CONSIDERATION**

### Development Proposals

11. It is estimated that the sale of the site will generate £6.9 million net to be recycled into the wider SEI programme, this figure is based on a valuation of the site completed in 1998. The cost of demolishing the block is estimated to cost in the region of £3.4m.
12. In early 2002 the selection of a Housing Association partner to develop the site was undertaken. This exercise was aimed at determining the level of housing that would need to be developed on the site in order to generate the required receipt and also to establish a development programme.
13. Presentation Housing Association was selected as the preferred RSL partner for the scheme with the precise nature of their role to be determined. Three proposals have been put forward for development of the site, with the preferred option proposing a higher density with the construction of 216 units with an equal split of social housing units and housing for sale as well as retail units with proposed use as a pharmacy and nursery. The delivery mechanism to be

- adopted will be a land disposal to a private developer, with Presentation acting as the Section 106 agent to develop and manage the affordable housing component of the scheme. Southwark Property will shortly begin work on a planning brief with a view to marketing the development. In accordance with experience on other schemes, the transfer of interest in the property will take place before demolition of the building to ensure compliance with capital receipts recycling rules.
14. At the time of the submission of this proposal it was assumed that grant funding would be available from the Housing Corporation. The Housing Corporation has since indicated that they will only consider funding schemes that result in a net increase in homes. Presentation is currently seeking to develop a proposal that will generate sufficient levels of subsidy from the housing for sale units to fund the affordable housing units.
  15. The agreed approach is to maximise the supply of affordable units to accommodate the number of existing tenants who have expressed the desire to return to the developed site. To date no discussion has taken place with Presentation in relation to the terms for the sale of the land.
  16. Planning permission for the development has not yet been sought although Presentation has met with planners to discuss the scheme.
  17. In terms of the decant progress outlined at paragraph 6, it is projected that if voids continue to accumulate at the rate of 28 per quarter, vacant possession of the blocks could be by December 2006. However experience of previous decant schemes has been that steady progress is made for some time but that difficulties can occur which prolong the process. Delays can occur with negotiations to buy out leasehold interests, particularly if a Compulsory Purchase Order is required, the process for which commonly takes 12 months. Similarly, it may be necessary for possession proceedings to be taken against some tenants where reasonable alternative accommodation has been refused. The process including notices, obtaining court dates and with adjournments can become protracted. On the basis of this, and assuming that relevant actions are carried out during rather than at the end of the decant period, an additional three month period has been assumed to achieve vacant possession, which arrives at the current projected date of March 2007.
  18. Part of the brief for the competition to select the RSL partner was the requirement to involve the about the possibility of locating a Nursery Project on the Wooddene site as part of the new development. Presentation has been in discussions based on the availability of Surestart Children's Centre funding to provide a new facility to serve under 5's and their families as part of the Wooddene redevelopment. Funding was provisionally allocated by Southwark Education for the development of a Sure Start Children's Centre (SSCC) using part of its capital funding allocation for 2004-6. SSCC proposals have to be individually agreed by the Sure Start Unit in the Department for Education and Skills, and have to demonstrate that the service can be substantially delivered by 31<sup>st</sup> March 2006. Given the projected date for achieving vacant possession of the block, it is not now possible for a Sure Start Children's Centre (SSCC) development on Wooddene to be completed within that timescale. Indeed, even if Wooddene had already been decanted, it would not be feasible to design, obtain planning consent, procure and build a new facility in eleven months. The funding initially identified has therefore been allocated to other Southwark projects.

19. A further round of Children's Centre funding has been announced for the 2006 - 2008 period. The total capital allocation for Southwark is £3.5 million, with a target of creating nine new Children's Centres by March 2008. Therefore, further consideration can be given to the scheme as outlined. As previously, consideration will need to be given to:

- The contribution of any project at Wooddene towards the Southwark-wide strategy to extend Children's Centres across the borough.
- The value for money offered by the project in terms of additional outputs over and above current local provision.
- The availability of other funding required to complete the project in addition to any Children's Centre funding.
- The feasibility of completing the building by March 2006, including the continuing progress in decanting the Wooddene block.
- The development of design proposals for the wider scheme to include the Peckham Settlement facility, taking into account the impact on the housing provision.
- The property issues, including the value of part of the Wooddene site, lease terms and charges etc.

20. The Settlement's Management Board have considered a number of options, including relocation as part of the Wooddene redevelopment and a phased redevelopment of the current premises. The Board's favoured approach is the Wooddene relocation, which would enable existing projects to operate through the changeover period, but no agreement has been reached in relation to the sale or transfer of land. If this approach were to progress, the land valuation agreement would need to balance the Council's responsibility to obtain best consideration for the disposal of an asset with the Settlement's financial resources. All land disposals at Wooddene will affect the level of capital receipts generated for the SEI programme, which depends on the recycling of receipts.

#### Leasehold issues

21. There are currently 16 flats in the block sold on long leases. Negotiations have commenced with leaseholders over the buying back of their flats, to date one leaseholder has agreed to sell. If buy backs are voluntarily negotiated between the parties, 35% of the cost of buying back (this includes revenue costs of administration, conveyancing etc as well as the premium) can be offset against the 75% of RTB receipts that have to be paid back to the government to cover outstanding debt. This clawback is not permitted in cases where buy backs are undertaken using compulsory purchase powers.

#### Right to Buy (RTB) Issues

22. There are currently 5 live RTB bases, all of these applications pre date 18<sup>th</sup> January 2005. The new Act allows demolition notices to be served that have the effect of suspending/terminating any RTB applications made after 18<sup>th</sup> January 2005. The Leasehold Management Unit is arranging to serve the demolition notices on all properties where demolition is being considered – in the case of Wooddene this means that all future RTB applications can be stopped.

## Consultation

23. A Project Team was set up on the 28 February 2001 comprising of residents and officers to discuss development proposals for the site. The group met regularly on a 4-6 week cycle and last met on the 27 May 2004. No further meetings have taken place as the number of attendees has fallen as households have moved off the estate. There have also been general meetings and exhibitions. Prior to the commencement of the decant process, all tenants were individually consulted about their housing needs and preferences.

### ***Resource Implications***

24. This scheme is principally land disposal for the redevelopment of a high density mixed residential scheme of housing for sale and affordable housing units as part of the Southwark Estate Initiatives programme. The capital receipts generated from the sale of the land will be recycled into the wider SEI scheme using the capital receipts recycling rules.

### ***Equalities Implications***

25. All tenants on the site have had access to alternative accommodation in accordance with the Wooddene Decant Policy as agreed by Executive. In addition all tenants have had the opportunity to express an interest in returning to the site following redevelopment.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Concurrent Report of Director of Education**

26. The Director of Education confirms that Officers of the Education Department have worked closely with Officers in Housing and that their comments are contained within the body of the report.

### **Report of the Borough Solicitor and Secretary – Legal Issues**

27. None required

### **Concurrent of Finance Director**

28. None required

### **Procurement**

29. There are no implications arising from this report.

### **Consultation**

30. Consultation issues are addressed within paragraph 21.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
<i>Open Reports &amp; Minutes of the Executive referred to in the report.</i>	9 Larcom Street SE17	Maurice Soden - 7525 7810

## Audit Trail

<b>Lead Officers</b>	Keith Broxup, Strategic Director of Housing	
<b>Report Authors</b>	Maurice Soden, Housing Regeneration Initiatives	
<b>Version</b>	Final	
<b>Dated</b>	11 <sup>th</sup> May 2005	
<b>Key Decision?</b>		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Borough Solicitor & Secretary	No	
Chief Finance Officer	No	
Divisional Leasehold Manager	Yes	Yes
Housing Options Manager	No	
Children's Centre Development Manager	Yes	Yes
<b>Executive Members</b>		
<b>Executive Member for Regeneration etc</b>	No	
<b>Executive Member for Housing</b>	No	
<b>Date final report sent to Constitutional Support Services</b>		