

Item No. 7.	Classification: Open	Date: March 27 2008	MEETING NAME: Major Projects Board
Report title:		Commencing of Re-housing Arrangements for Aylesbury Regeneration Project.	
Ward(s) or groups affected:		Faraday Ward, residents of major estate regeneration schemes	
From:		Strategic Director of Major Projects	

RECOMMENDATION(S)

1. That the major projects board ratifies the ring fencing to Aylesbury of the four off-site developments identified for the re-housing of the residents in the Phase 1a area of the Aylesbury regeneration programme, listed at Appendix 1.
2. That the major projects board gives approval for the active re-housing process to commence for tenants of 1-41 Bradenham, and 1-12 Red Lion Close without delay, to enable the Phase 1a scheme to be progressed. For tenants requesting the option of re-housing to council relet properties, this will entail granting band 1 status within the Homesearch system. For tenants requesting the new build option, it will mean that direct offers are made of properties in the first two schemes to complete, at Blakes Road and Daniel Gardens / Samuel Street.
3. That the major projects board notes the ongoing work on housing supply for the rest of Phase 1a of Aylesbury, including on-estate development, and the wider demand and supply strategy.

BACKGROUND INFORMATION

4. The executive agreed the draft policy for re-housing tenants and homeowners on regeneration schemes as the basis for consultation on September 26 2006 and noted:

(a) That consultation be carried out on this proposed policy and findings be reported back.

Subsequently, consultation was undertaken with area forums, tenant council and leaseholder council, the Aylesbury Steering Group and the Heygate TRA Project Team.

(b) That a detailed financial assessment of the proposals be conducted in the light of the analysis of the supply and demand.

Analysis of housing supply and demand is currently being concluded by the regeneration and neighbourhoods department.

5. The executive on September 26 2006 also noted the implications of the proposed policy for the Aylesbury scheme and agreed a number of specific actions.
6. The adoption of the policy represented a reversion to the principles of the former policy agreed by housing committee in 1998, and adoption of the policy adopted for the Heygate estate in May 2004. The policy agreed for Heygate estate formed the basis of consideration of the wider policy for re-housing in regeneration schemes in general and the Aylesbury in particular. The council's chosen approach was to produce a new re-housing policy to be effective across all housing regeneration schemes in the borough. This is important because of the council's responsibility to act fairly and consistently in the treatment of households both within regeneration scheme areas and outside of them. The re-housing policy forms part of the wider lettings policy, and as such has to have regard to the implications of re-housing schemes on the council's obligations and the housing opportunities of all people in housing need.
7. In summary, the policy enables tenants to choose between two options:
 - i) one of the estate replacement properties to be offered to them
 - ii) an existing property elsewhere in the borough (normally by taking part in Southwark Homesearch bidding).

For the initial households at Aylesbury, option i) is being made available by use of off-site developments, explained further in paragraphs 9 and 10.

8. Policies for re-housing in regeneration schemes were fully harmonized in June 2007 when the major projects board clarified the entitlement for underoccupying tenants.

KEY ISSUES FOR CONSIDERATION

Aylesbury off site housing supply

9. A key assumption in the executive decision of September 27 2005 agreeing a new redevelopment strategy for Aylesbury, was the significant early re-housing of around 500 households in the first phase. Provision of these homes was not included in scheme costs, and it was proposed that they should be met from new funding. It was stated that a number of registered social landlord (RSL) owned sites that at that time were unfunded, could be used for this purpose and would be attractive to Aylesbury tenants. In the interim, several of the schemes (detailed at Appendix 1) have progressed further and are now deliverable. An undertaking was given to the Aylesbury Steering Group in September 2007 that the developments would be used only for re-housing phase one Aylesbury tenants as part of the regeneration scheme. Of the 4 schemes listed, 3 are from the original schedule; 1 of them, at Blakes Road (SE15) is a replacement for the scheme at Grange Road that has been withdrawn, because of viability problems. The association of these properties to Aylesbury has been reported on at intervals, but the ring fencing of them to re-house Aylesbury phase 1 residents requires formal ratification.
10. One of the schemes, at Blakes Road, is now ready to receive nominations and a second at Samuel St / Daniel Gardens will follow shortly. At the Blakes Road scheme, a further 26 affordable units, 17 rental and 9 shared ownership have just been secured, by Guinness Trust successfully receiving a grant

allocation for the acquisition of units built for sale. These units have not been added to the schedule in Appendix 1 and will benefit the general re-housing supply.

First re-housing from Aylesbury Estate

11. The September 27 2005 executive report also identified the South West corner as the likely first phase of the redevelopment. Procurement arrangements have recently been completed for the phase 1a scheme, and two housing blocks at sites B and C in that area will need to be cleared as part of it. The two blocks, 1-41 Bradenham, and 1-12 Red Lion Close are currently still largely occupied. At the outset, of the 53 units in the two blocks, 29 were tenanted and 24 leasehold. No properties have been permanently re-let since September 2007, and the process of buying out the leaseholders' interests has started. The purchase of 3 leasehold properties has been completed, and 3 other natural voids have arisen. It is proposed that the re-housing of the remaining 26 tenants should be commenced without delay to enable the phase 1a redevelopment to be progressed.
12. Tenants identified in this report will have the choice of two re-housing options as outlined in paragraph 7, in accordance with the re-housing in regeneration schemes policy. Tenants will be able to pursue either re-let council or housing association property, or a new housing association property through the award of Homeseach band one. This will mean they have preference for all new and relet properties advertised from the date of the activation of their priority status. Tenants opting for new build will be made direct offers in the off-estate schemes already earmarked for this purpose, as detailed above. Aylesbury tenants moving to a new RSL property will have the option to return to a new home in the Aylesbury area in the later development.
13. The Area Action Plan (AAP) process for Aylesbury is ongoing, but arrangements for early development activity in advance of the AAP have continued. The London and Quadrant Housing Group has been selected to deliver the Phase 1a scheme. Other potential early on site developments have been considered, and two, at the cleared Amersham Centre site and the north part of Wolverton have been carried forward into the draft preferred AAP option.
14. Phase 1, for re-housing purposes should comprise the following blocks in grouped sequence:
 - 1-41 Bradenham,
 - 1-12 Red Lion Close

 - 1-27, 28-59 Wolverton
 - 42 - 256 Bradenham

 - Arklow House (30 units)
 - Chartridge (149 units)
 - Chiltern (172 units).

The blocks at 1-59 Wolverton has not previously been identified as being included for re-housing in Phase 1. Initial demolition notices will need to served in respect of these properties, in accordance with the regulations

controlling their use, as a natural consequence of progressing with the redevelopment of this part of the estate.

Further Phase 1 Aylesbury re-housing, including 'early wins'.

15. The Aylesbury re-housing report to executive in September 2006 pointed out the importance of tenants who wished to be re-housed as a council tenant. The adopted policy reflected this in providing the option of re-housing to existing properties elsewhere in the borough. The system will not in practice restrict tenants from bidding for RSL new build or re-lets if they so wish, and so the re-let option should more correctly be expressed as the Homesearch option.
16. Consultation with Aylesbury residents has suggested several perceived advantages to the approach of ring fencing specific new developments to re-house residents in regeneration schemes:
 - It is viewed as offering certainty for Aylesbury residents regarding area type.
 - There is no competition from outside Aylesbury.
 - Opportunity to involve residents in design.

Further ring fencing opportunities will be considered in the light of the overall supply of accommodation and the detailed phasing plans for the Aylesbury regeneration project.

17. The 'early win' developments on the Aylesbury Estate, outlined at paragraph 14 will provide re-housing opportunities for Aylesbury residents, some in Phase 1.

Community Impact Statement

18. The re-housing of tenants within the Aylesbury regeneration scheme has benefits for all sections of the community, as all will be re-housed in accordance with their housing needs and specific preferences. New homes will be designed to meet medical needs, relieve overcrowding and offer a better standard of housing.
19. The proposals for delivering the Aylesbury regeneration largely rely on re-housing residents of Phase 1 in homes away from the estate to enable land to be released for the redevelopment works to proceed. This differs from the approach for residents in later phases, but is considered justifiable because of the wider community benefit that the scheme will deliver and also because the policy has been agreed that Phase 1 residents who move to a new RSL home away from the estate will have the opportunity to return to the new development.
20. The overall housing delivery across a range of major housing projects will be managed to maximise the amount of new housing opportunities provided. Monitoring will be undertaken as the scheme progresses to determine the impact on general lettings and on other regeneration schemes.

Resource implications

21. This report seeks authority to give operational effect to decisions already made in previous reports. The financial impacts for the council have already been taken into account and the recommendations in this report gives rise to no further financial impact, beyond that identified in paragraph 31.

Consultation

22. Extensive discussions have taken place with Aylesbury Estate residents' representatives through the re-housing sub-group primarily, and the steering group. There is strong support from residents for the ring fencing of identified new developments for Phase 1 re-housing, for the re-housing of the Phase 1 blocks to commence as soon as possible and also for the widest choice of properties to be made available for tenants opting to move through the Homesearch process.
23. Consultation with individual households at 1-41 Bradenham, and 1-12 Red Lion Close has also been undertaken through the referencing process, where the re-housing options have been explained to tenants, and the valuation and acquisition process has been discussed with leaseholders. Referencing has been completed with all tenants although the registration process has still to be completed for some, and contact has been made with all but two leaseholders.
24. Specific consultation will be undertaken with residents of 1-59 Wolverton whose homes are the only occupied part of the estate identified as an 'early win' in the Area Action Plan process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Legal and Democratic Services

25. Section 105 Housing Act 1985 requires the council to consult with 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 practice or policy of the authority and is likely to substantially affect either secure tenants as a whole or a group of them. The recommendations contained in paragraphs 1 and 2 of this report affect secure tenants who reside on the Aylesbury estate. The report provides details of the consultation that has taken place on the re-housing policy for regeneration schemes generally and the specific recommendations in this report.
26. The major projects board should note that secure tenants who elect for the tenancy of an RSL property would become assured tenants.
27. There are no apparent adverse legal implications arising from the recommendations in this report.

Finance Director

28. The proposal to ring-fence RSL off-site developments to Aylesbury Phase 1a tenants has some possible financial implications for the Council.

29. Active re-housing of phase 1a occupants has been taken into account in the 2008/09 HRA budget. The void units arising will lose rent income, although this is offset partly by subsidy gains and use of Phases 1a and 1b voids for temporary accommodation. However, if phase 1a occupants refuse to move to these ring-fenced units, as is their right as per the council's regeneration scheme re-housing policy, it may result in residents from later Aylesbury phases moving sooner than originally anticipated. This would then create additional voids which have not been taken into account in the 2008/09 HRA budget. This could be offset by using these voids for temporary accommodation, provided the need exists. It may also be mitigated by the fact that half of the properties will not be available until mid to late 2009.
30. In paragraph 14 of this report, 1-59 Wolverton road is included in phase 1b for the first time. Initially, this was in phase 5. This increases 1b by 59 to 625 dwellings and reduces the original phase 5 to 388 dwellings. The interim HRA revenue effect during decanting will be assessed and taken into account in the 2009/10 budget. The eventual effect of increasing 1b, taking into account rent loss, subsidy gain and repair savings is to bring forward by about 4 years a net revenue loss of around £70,000 per annum and this will need to be covered by efficiency savings or increased income in future years.

Strategic Director of Regeneration and Neighbourhoods

31. The re-housings of 29 residents in 1 - 41 Bradenham, and 1-12 Red Lion Close will have a marginal impact on the overall supply and demand of social rented sector accommodation. Direct offers in exceptional circumstances are permitted under Southwark's Allocations Policy. The commitments given to the 29 residents of these blocks as to the ring fencing of the schemes set out in Schedule One constitute exceptional circumstances, and as such can be permitted within the current policy.
32. Ring-fencing the remaining 64 units to general applicants from the Aylesbury estate will remove properties from the general supply stream at a critical point for the Heygate Estate project. This proposal should therefore be considered in the light of the detailed analysis of supply and demand due for submission to Executive in May 2008.
33. Ring-fencing of new schemes to regeneration tenants can have an adverse impact on the council's ability to meet the needs of other priority groups given the higher specification and accessibility of new build properties. It can also constrain the ability of the council to deliver regeneration re-housing programmes to a fixed timetable. This is because the supply of new housing association supply by its nature does not match to the particular property requirements of Aylesbury residents, nor is it geared to the regeneration timetable. Consideration of further ring-fencing opportunities should therefore be considered in terms both of residents preferences and phasing of the regeneration programme as a whole.

REASONS FOR URGENCY

34. One of the housing schemes identified for re-housing phase 1a Aylesbury residents is ready for letting. Any delay in making the decisions sought will have financial implications for the council. Compensation will be payable for rent loss suffered by the Housing Association because nominations are not

received in a timely manner. The council will also need to make security requirements for the period during which the properties are unoccupied.

REASONS FOR LATENESS

35. This decision was originally scheduled to be taken as part of another report to progress phase 1a of the redevelopment of Aylesbury Estate. Following the drafting of that report it was determined that the re-housing decision should be considered alongside wider housing implications and separately from the phase 1a report. Drafting of this report therefore started later than was ideal

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Aylesbury project files, decant and re-housing policy reports.	a) Housing Regeneration Initiatives, 9 Larcom Street, SE17 1RX, and Major Projects, Coburg House SE1 6BD. b) Housing Options, 27 Bournemouth Road SE15 1JJ.	a) Maurice Soden 020 7525 4925 b) Miny Jansen 020 7525 4089

APPENDICES

No.	Title
Appendix 1	Aylesbury Off-site Housing

AUDIT TRAIL

Lead Officer	Stephen McDonald; Strategic Director of Major Projects	
Report Author	Maurice Soden; Housing Lead – Major Projects	
Version	Final	
Dated	March 13 2008	
Key Decision?	Non - Key	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor	Yes	Yes
Chief Finance Officer	Yes	Yes
Strategic Director of Regeneration and Neighbourhoods	Yes	Yes
Executive Member	Yes	No
Date final report sent to Constitutional Team		March 25 2007