

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 22 <sup>nd</sup> June 2004	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Motion Referred from Council Assembly – 28 <sup>th</sup> April 2004 – East Dulwich Estate	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Chief Executive (Borough Solicitor & Secretary)	

## RECOMMENDATION

1. That the Executive consider the motion set out in the Appendix attached to the report.

## BACKGROUND INFORMATION

2. The motion, appended to this report was referred to the Executive by Council Assembly at a meeting held on Wednesday April 28th 2004.
3. The motion was on the Executive agenda for 18<sup>th</sup> May 2004 but consideration of the motion was subsequently deferred to the next meeting.

## KEY ISSUES FOR CONSIDERATION

3. In accordance with Council Assembly Procedure Rule 3.9 (3), the above motion is referred to the Executive, which shall report upon the outcome of their deliberations upon the motions to the next meeting of Council Assembly.
4. The constitution allocates particular responsibility for functions to Council Assembly, for approving the budget and policy framework, and to the Executive, for developing and implementing the budget and policy framework and overseeing the running of Council services on a day-to-day basis
5. Any key issues, policy or funding implications are included in the advice from the relevant Chief Officer.

## REASONS FOR LATENESS

6. The comments of the Strategic Director of Housing were not received until after the agenda despatch.

## REASONS FOR URGENCY

7. The motion was referred from Council Assembly on 28<sup>th</sup> April 2004. The motion requests that the Executive report back on progress to Council Assembly. The next meeting of Council Assembly will be taking place on 21<sup>st</sup> July. In order to allow enough time for a progress report to be written, it is recommended that the report is considered at this Executive meeting.

Background Papers	Held At	Contact
Motions submitted in accordance with Standing Order 3.9 (3).	Town Hall, Peckham Road, London. SE5 8UB	Kevin Flaherty Constitutional Support Unit 020 7525 7236

## Audit Trail

<b>Lead Officer</b>	Ian Millichap, Constitutional Team Manager	
<b>Report Author</b>	Everton Roberts, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	18 <sup>th</sup> June 2004	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Chief Officer	Yes	Yes
<b>Executive Member</b>	No	No
<b>Date final report sent to Constitutional Support Services</b>	18.6.04	

**MOTION - EAST DULWICH ESTATE**

Moved by Councillor Peter John and seconded by Councillor Veronica Ward.

1. "That the deputation and representations from the East Dulwich Estate Tenants & Residents Association be noted.
2. That the commitment from the Leader of the Council in October 2002 to support the proposal for funding regeneration of the East Dulwich Estate without the need for any land sales or demolition of homes on the Estate, subject to such a proposal being lawful, be noted.
3. That in light of the representations from the Deputation as to the impact of new Government funding regulations effective from 1<sup>st</sup> April 2004, Council Assembly requests that the Executive urgently takes appropriate legal advice and considers at a meeting the implementation of the alternative funding proposal for the regeneration of the Estate.
4. That the Executive is further requested to report back on the progress of this matter at the June 2004 Council Assembly."

**COMMENTS FROM THE STRATEGIC DIRECTOR OF HOUSING**

As part of the development of the proposals for regenerating the East Dulwich Estate, officers have considered a number of different physical options. The current Council policy is that there should be a £20million refurbishment of the estate with £4.9million of this funding being raised from land sales on the estate. This policy was set in the context of a financial plan for the Southwark Estates Initiative (SEI) which utilised a set of capital receipts recycling rules set out in the Capital Finance Regulations of 1997. At the request of tenant representatives on the estate, the Council in 2002 reconsidered whether it was legally possible to implement a £15million scheme using land receipts generated from other estates. The legal advice obtained from leading Counsel was that the Council's interpretation of the receipt rules was correct and that it was not possible to implement a £15million scheme under the SEI finance plan. On this basis the Council continued to develop the masterplan for the estate.

The Government has changed the criteria for capital receipts recycling since April 2004. Whilst these rule changes mean that there is more flexibility about how receipts are recycled, it is still the Council's view that a £20million scheme is the right option for the estate.

Members need to be aware of a number of factors

- It is estimated that up to £15million is needed to address non-decent housing on the estate.
- A £20million scheme will address non-decency as well as providing the key investments in environmental improvements, safety, security and community activities that tenants have identified as priority needs. Tenders are currently awaited, but using estimated costs, the £4.9million receipt can fund:
  - nursery/community centre - £1m,
  - door entry and lobby improvements - £1m,

- car parking, lighting, soft landscaping to courtyards - £1.1m
- play areas - £0.6m
- ground floor defensible space - £0.75m
- converting ground floor flats to wheelchair standard - £0.5m

The estimated cost of undertaking works to the 5 blocks identified for demolition to bring them to Decent Homes standard is £3.45million. The works proposed to be funded from the £4.9million receipt have been prioritised through resident consultation on the estate particularly the Planning for Real exercise. In addition, the Police identified the door entry improvements as a priority to deal with the community safety issues on the estate. The need to convert properties to a wheelchair standard has been highlighted through the recent referencing exercise which identifies a large number of tenants with mobility problems.

- The estate is in a priority neighbourhood and the opportunity to combine a number of complementary programmes eg Neighbourhood Renewal is being further explored.
- At present £15.1million is identified through land sales throughout the Borough to be invested into the Estate. If the balance of £4.9million is found from the Housing Investment Programme rather than from land sales within the estate it will be at the expense of delivering decent homes and meeting the Council's contractual obligations elsewhere.
- It is assumed that the £4.9million will be accrued net of the costs of decant, leasehold purchase and demolition. The £4.9million in combination with the capital receipts raised from other housing disposals would fund the other costs to the Council of delivering the scheme, of which refurbishment works will be the largest component.
- Taking into account the new Housing Association homes being developed as part of the scheme and the level of voids on the estate, it is currently anticipated that the tenure preferences of all those tenants being rehoused as a result of the scheme can be met.
- The Council has spent considerable time developing aspects of the proposals for the estate. One block, Goldwell House, has already been refurbished and is currently being let to tenants from blocks identified for demolition. There is a high level of expectation from staff and users of the nursery that there will be a new provision. A number of land disposals have either been completed or have been identified as being subject to investment in East Dulwich Estate. After four years of consultation on options for the estate, there is an urgent need to proceed with the proposals in order to improve both the quality of life for residents and the quality of the housing stock on the estate.

## **COMMENTS FROM THE BOROUGH SOLICITOR AND SECRETARY**

The Local Government (Capital Finance and Accounting) Regulations 2003 came into force on 1 April 2004. These regulations provide greater flexibility than the previous regulations over the use of capital receipt by Local Authority or reinvestment in housing.

As stated in the report both schemes proposed are now permissible under the new regulations. Executive needs to decide which scheme is the most appropriate bearing in mind the obligations of the Council and the aspirations of tenants.