

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 12 February 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Progress Report on Abbeyfield Estate Regeneration Scheme and Update on Delivery of Four Squares Estate and Hawkstone Estate works	
<b>Ward(s) or groups affected:</b>		Rotherhithe Ward	
<b>Cabinet Member:</b>		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management and Councillor Fiona Colley, Regeneration and Corporate Strategy	

**FOREWORD - COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT AND COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR REGENERATION AND CORPORATE STRATEGY**

We would like to thank the residents who have joined the newly established Resident Project Group for their interest, and the council looks forward to working with them in progressing this ambitious project. The Cabinet will continue to oversee the ongoing processes and progress of the project to ensure commitments are honoured and that a robust communication strategy is in place to keep residents and stakeholders involved. For Maydew House, the sooner we have an empty block to begin the works; the sooner tenants who wish to return to the block can do so. We are confident that this project will deliver the agreed outcomes and look forward to the regeneration of the estate.

**RECOMMENDATIONS**

That for Abbeyfield Estate the cabinet:

1. Notes the progress made on achieving vacant possession of Maydew House residents.
2. Notes the outcome of the option-to-return expression of interest.
3. Notes the procurement plan and milestones outlined in paragraph 19.
4. Notes the proposed programme for the identification of voids for sale outlined in paragraph 20.
5. Notes the preparations and progress towards the refurbishment of Maydew House, Damory House and Thaxted Court.
6. Notes the issuing of Ground 10 notices as part of the Notice of Seeking Possession process as outlined in paragraph 15.
7. Notes the council is taking active steps to secure the making of a Compulsory Purchase Order.

And in addition, the cabinet:

8. Notes the update on the progress of the Hawkstone and Four Squares estates.

## **BACKGROUND INFORMATION**

9. The cabinet considered an update report on the regeneration of the Abbeyfield Estate: Maydew House, Damory House and Thaxted Court on 17 July 2012 and the following decisions were agreed:
  - That it be noted that Maydew House tenants who have been rehoused since 9 August 2010 and who qualify for the option to return can choose which flat they return to from the flats available for letting following refurbishment.
  - That a separate report seeking to make a compulsory purchase order for the acquisition of all interests not within the council's ownership be brought to cabinet at a later date.
  - That the proposed development process including identification of void properties for sale, with a concentration in the top eight floors be noted.
  - That a later procurement for the consultants and contractor to deliver the enhanced refurbishment works as outlined in paragraph 44 of the report (dated 17 July 2012) be noted.
  - That arrangements for a concierge service on completion of the works programme be worked up separately from the other schemes in the borough in the light of the specific requirements pertaining at Abbeyfield Estate.
  - That the position for rent charges at Maydew House after refurbishment works are complete be agreed.
  - That the implications of the implementation of the Southwark Heat Network proposals on the estate be noted.
  - That the impact of the capital works service charges to leaseholders and the annual service charges to all residents be noted.
  - That the arrangements for ongoing consultation with residents and the Bede Centre be noted.
  - That an update report be received in six months on all high investment need estates within Southwark, including Abbeyfield.
10. The same cabinet received update reports on the Four Squares and Hawkstone estates. Update information on both estates is included within this report, any future updates will be made via the routine Major Works programmes report to cabinet.

## **KEY ISSUES FOR CONSIDERATION**

### **Progress since last report**

#### **Vacant possession**

11. The rehousing of Maydew secure tenants began in September 2010 and is continuing. Initially, there were 94 tenants, and 5 leaseholders, residing in the block which by March 2012 had been reduced to 34 tenants and 2 leaseholders. The council has since rehoused a further 17 tenants, resulting in 17 tenants and 2 leaseholders still in situ.

12. Of the 75 tenants that have been rehoused, 1% have relocated to SE5, 2% have relocated to SE24, 5% have relocated to SE17, 17% have relocated to SE15, 24% have relocated to SE1 and 49% have relocated to SE16.
13. All Maydew House current and previous tenants were written to with the decision of the July cabinet and were reminded to complete an expression of interest form if they wished to return to the block. In total, tenants have been given three opportunities to express their interest in returning to the block. The results of the consultation are as follows:

**Table 1**

No of forms sent out	<b>71</b>
No of forms returned	<b>33</b>
No of tenants who do not wish to return to the block	<b>9</b>
No of tenants who wish to return to the block	<b>24</b>
No of tenants who wish to return to their original flat	<b>18</b>
No of tenants who do not wish to return to their original flat	<b>6</b>

14. Analysis shows that overall there was a 46% response rate from the residents. Of the 33 forms returned, 27% of residents do not wish to return to the block, 73% of residents expressed an interest in returning to the block. 75% of residents returning to the block would like to return to their original flat. Returning to an original flat has not been offered as a right, although interest has been sought. The implication of the home loss payment has been explained; home loss can only be paid to a tenant who does not return to their original flat.
15. In order to achieve vacant possession by March 2014, as identified in the September 2012 cabinet report, it may be necessary to use the appropriate legal process to secure possession of those properties still occupied. In the case of secure tenants this would be possession proceedings under Ground 10 of Schedule 2 to the Housing Act 1985 which requires service on tenants of a Notice of Seeking Possession. It is planned to serve the remaining tenants with a Notice of Seeking Possession during February 2013 to allow sufficient time for legal and associated processes to be taken forward should they be necessary to meet the vacant possession timetable. This is standard procedure in regeneration rehousing schemes and enables the council to make direct offers to tenants and hold suitable properties for those who it has not been possible to rehouse.
16. Cabinet approved an application for a Compulsory Purchase Order (CPO) on 25 September 2012. Efforts to acquire the remaining 2 leasehold interests by negotiation will continue, although agreement has not yet been reached with either party.
17. Legal advice from Counsel has been sought, along with internal legal advice, on which CPO powers should be applied. Once position is clarified, the council will undertake the steps detailed in the September 2012 report, from referencing the properties included and resolving the planning and finance for the scheme through to making and confirming the order.

## **Resident consultation**

18. The Abbeyfield Resident Steering Group (RSG) was dissolved in June 2012 following the decision on the preferred option on the future of the estate. A Resident Project Group (RPG) was established to oversee the works programme. The group comprises of tenants and leaseholders from Damory House and Thaxted Court, along with tenants who have expressed an interest in returning to Maydew House on completion of the works. The group will meet regularly during the works and representatives of the group will be invited to get involved in the procurement of the contractor/consultants where applicable. Representatives of the group will also be invited to attend site meetings on an ad hoc basis. The first meeting of the Resident Project Group took place on 24 January 2013.

## **Works programme**

19. A Gateway 1 for the design and technical advisors was approved by the strategic director of housing and community services on 9 October 2012. The advisors will work on the outline design and planning. Another EU tender will be necessary for the design and build contract. It is anticipated that the design and technical advisors will be in place by July 2013 for approximately 12 months prior to the appointment of the contractor in the summer of 2014.
20. Criteria for the identification of the voids to be refurbished for sale will be developed by 2013/14 in consultation with the Resident Project Group. A final schedule of voids for sale will be in place prior to the procurement for the construction works. Their refurbishment specification will be agreed by 2013/14 for inclusion in the tender brief for the building contractor. A marketing strategy will be in place by 2014/15.

## **Concierge service**

21. Currently, the concierge service in Maydew House serves Damory House, Thaxted Court and Bradley House. While the concierge is based at Maydew House, they carry out other duties such as CCTV monitoring which also covers Bradley House. Their role also includes providing security cover for Damory House, Thaxted Court and Bradley House through patrol and conducting health and safety checks, etc. As part of the borough wide consultation exercise, residents of Damory House, Thaxted Court and Bradley House (leaseholders only) were consulted.
22. The analysis provided by BNP Paribas and referred to in the July cabinet report showed that a concierge service was an essential factor in the valuation and marketing of the voids for sale. It is assumed that a concierge type service will be incorporated in the refurbishment scheme. As such, clear specifications for the service need to be developed. Council officers have approached housing associations and local authorities who operate a similar scheme as a starting point in developing the best service for Maydew House and the rest of the estate.
23. The Abbeyfield Estate has additional considerations due to the regeneration scheme and following agreement of the specification of works, further consultation will take place in February/March on the concierge service with residents of the low rise blocks and those who have expressed an interest in returning to Maydew House.

### **Four Squares Estate**

24. Internal refurbishment works to council tenanted dwellings commenced on 7 January 2013 and is programmed to complete by 3 February 2014.
25. There are four programmed open day meetings on the estate in January 2013 to aid the design work and decisions on window configurations and stair tower works. Planning approval is programmed to be sought in February 2013, with works commencing summer 2013.
26. Formal leasehold consultation has commenced on Marden security works, the anticipated commencement for these works (subject to conclusion of the notice of intent process) is March 2013.
27. Formal approval of award of the Layard lift project will take place by the end of January 2013 and works are programmed to commence April 2013.

### **Hawkstone Estate**

28. Works commenced on John Kennedy House refurbishment on 7 January 2013 and are due for completion by 20 December 2013.
29. Design work for the low-rise has been completed following the open day in late 2012 and will formally be presented to the project team for final sign off on 21 January 2013 with planning approval being sought in February 2013 and all parties working towards commencing works in early summer 2013. The complexity of the asbestos removal on this project requires an extended contract period and completion is estimated by October 2014.

### **Policy implications**

30. The combination of refurbishment, environmental works and mixed tenure accommodation will enable regeneration to be delivered to the Abbeyfield Estate area. Rehousing policy is being adhered to, along with contract and procurement policies in relation to the works programmes.

### **Community impact statement**

31. Maydew House tenants of a 1 and 2 bed need, regardless of age, disability, faith/religion, gender, race and ethnicity and sexual orientation were offered the option to return to the block on completion of works. There is a strong sense of community on the estate that returning residents are keen to continue and uphold upon their return.
32. There will be a need to reinstate a concierge service once works are complete and tenants of the low rise blocks will be consulted on whether this service will be extended to them and the likely impact on their service charges.
33. The Bede Centre will be consulted as an interested stakeholder via the Resident Project Group forum.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

34. This report asks cabinet to note progress on the Abbeyfield Estate Regeneration report since the update report presented to cabinet on 17 July. There are no particular legal issues arising from the report at this stage.

### **Strategic Director of Finance and Corporate Services (FC/13/001)**

35. The strategic director of finance and corporate services notes the progress made to date. Although there are no new financial implications identified in this report there will need to be continued close monitoring of progress to ensure costs are contained within available resources. Approvals for work outlined in paragraphs 19, 20, 26, 27 and 29 will be brought forward according to the council's usual protocols.

### **Head of Specialist Housing Services**

36. Much of the work proposed is service chargeable, so the council will be required to carry out statutory consultation with leaseholders on the Abbeyfield estate under section 20 of the landlord and tenant act 1985 (as amended). As it is proposed to tender for this work separately there will need to be a two stage consultation process, each including a 30 day observation period. The first stage, the notice of intention, will need to be carried out prior to placing the OJEU notice, and the second stage, the notice of proposal, will need to be carried out post tender but prior to making the decision to enter into the contract.
37. The council recognises that some leaseholders may have difficulty in paying large major works service charge bills. A number of payment options are available to leaseholders, dependant on their particular circumstances and staff within Home Ownership Services are available to discuss these with leaseholders on an individual basis.
38. Leaseholders are charged the actual cost of providing the concierge system, as part of their annual service charges. Any changes to the service must be clearly recorded and costs identified so that accurate service charges can be constructed.
39. The management of garages now falls within the remit of the Specialist Housing Services Division (SHS). The garages under Maydew are in dire need of security and refurbishment work as they are currently not in a lettable condition. There will be a requirement for available parking on the estate and the refurbished garages will be easily let. The garages under Maydew are vulnerable to vandalism, fly-tipping and other security hazards. This means that not only is there a loss of income on the garages but there are on-going costs of security and clearance and potential health and safety risks to current residents of the block.
40. As per paragraph 16, SHS notes that neither of the last two leasehold interests have been re-purchased and that the council has in the interim obtained cabinet approval to seek a CPO if necessary. Neither of the leaseholders has made an application to the council for assistance to find a new home, although that option remains available to them.

41. Home Ownership Services has carried out the relevant statutory consultation under the Act with the leaseholders of Marden and Layard Squares, and with the leaseholders of John Kennedy House. The consultation period for the Layard lift project has been closed, with all observations having been given due regard. The consultation period on the Marden security package is still open, and observations received are being duly considered and given a full response. The estimated service charges for the two Four Squares packages will be billed in March 2014. The statutory consultation with the leaseholders of John Kennedy House was successfully completed with all observations being given due regard. The estimated service charges to the leaseholders for this package of works are due to be billed in March 2013.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Abbeyfield Estate: Maydew House, Thaxted Court and Damory House Options Appraisal 20 March 2012 Cabinet Report. The document is available on this web page: <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3821&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=3821&amp;Ver=4</a>	Housing Regeneration Initiatives/ Estate Regeneration Team 160 Tooley Street London SE1 2QH	Diana Hall 020 7525 7724
Abbeyfield Estate: Regeneration Project Update 17 July 2012 Cabinet Report. The document is available on this web page: <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4245&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4245&amp;Ver=4</a>	Housing Regeneration Initiatives/ Estate Regeneration Team 160 Tooley Street London SE1 2QH	Diana Hall 020 7525 7724

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management and Councillor Fiona Colley, Regeneration and Corporate Strategy	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Diana Hall, Project Co-ordinator	
<b>Version</b>	Final	
<b>Dated</b>	31 January 2013	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Specialist Housing Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	31 January 2013	