

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> October 14 2009	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Disposal of land at Coopers Road SE1(Phase 4)	
<b>Ward(s) or groups affected:</b>		South Bermondsey	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

## RECOMMENDATION(S)

That the Executive:

1. Agrees that land at the Coopers Road Estate, SE1, as shown and highlighted on the attached plan at appendix 1 ("the Site"), be sold on a 125 year building upon terms outlined within the closed report.
2. Authorises the Head of Property to agree any variations to these terms that may be necessary to achieve the regeneration in the light of further negotiations and securing full planning consent.
3. Notes that the freehold interest in the Site be transferred on satisfactory and practical completion of the proposed development of fifty residential units on the site and upon production of a Certificate of Practical Completion.
4. Agrees to the recycling of the net receipts from the disposals into the Housing Improvement Programme.

## BACKGROUND INFORMATION

5. Regeneration of the Coopers Road Estate first began in 2005 as part of the Southwark Estates Initiative. It has to date involved the phased replacement of four 1960's blocks with 154 new flats and houses for rent and shared ownership for the Peabody Trust. The Site, also known as phase 4, remains the last part of the project to be completed.
6. The Site is currently hoarded and cleared. It was formerly occupied by a 1960's built four storey block containing 12 three bedroom maisonettes. This block was demolished in 2008. Previous attempts to develop the Site in conjunction with partner Registered Social Landlords's (RSL's) have so far proved unsuccessful.
7. The proposed purchaser plans to develop a scheme of fifty units comprising one hundred and sixty nine habitable rooms arranged over six storeys across a variety of unit types;

1 bed flats	2 persons	11
2 bed flats	3 persons	15
2 bed flats	4 persons	3
3 bed flats	5 persons	10
3 bed flats	6 persons	3
3 bed maisonette	5	4
4 bed House	7	4
	<b>Total</b>	<b>50</b>

8. The proposal also includes the provision of five units for wheelchair users. The unit mix is for 42 social rented units for general needs and 8 new build home buy units for shared ownership. To date the proposed purchaser has had a number of pre application planning discussions with the planning authority and are confident of submitting an application shortly
9. The proposed purchaser has appointed architects. The architects were responsible for the design of the previous phases of the Coopers Road Estate and are a Southwark based practice that specialise in low carbon residential, education, healthcare, commercial, leisure and refurbishment projects. They are also the architects for Success House a Peabody scheme which fronts onto the nearby Old Kent Road. The youth facility that was displaced as a consequence of the Coopers Road Estate regeneration is being re-provided and currently nearing completion on the ground floor of this building.
10. Previous Phases of the Estate have won a number of awards including a commendation for the best social housing development at the National Homebuilder Design Awards 2005. It has also been recognised by the Commission for Architecture and the built Environment (CABE) with a Building for Life Standard in recognition of its high quality design, good place-making and sustainable development. The Civic Trust awarded it a commendation in 2006 at its awards that year. The Estate also achieved a Building for Life silver standard in 2008.
11. The Site is held in the Housing Revenue Account. The Site has been declared surplus to the council's requirements. The disposal of properties held for housing purposes is permitted by virtue of Section 32 of the Housing Act 1985, subject to the consent of the Secretary of State for Communities and Local Government, where necessary. General Consents have been issued in The General Housing Consents 2005 to dispose of land where specific consent is not required. The Head of Property considers that the offer satisfies the councils obligation to obtain best consideration that can reasonably be obtained. As part of the evaluation process the site has been subject to a third party valuation by Drivers Jonas LLP, the council's retained valuation surveyors.
12. The offer is subject to the following assumptions;
  - Receipt of planning
  - Securing funding from the HCA
  - Satisfactory site and soil surveys
  - Deduction for abnormal costs
  - Overage/underage adjustment for an increase or decrease in the number of habitable rooms as determined by the planning process and
  - Proposed bidder's Board Approval
13. In addition the proposed bidder will pay a contribution of £10,000 towards the councils legal and surveyors fees.
14. The proposed purchaser is pursuing grant funding from the Housing and Communities Agency (HCA) for their proposed scheme, actively supported by the council

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

15. The proposal by the purchaser will see the Site developed for much needed affordable housing, including 21 larger units for families. This assists the council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the emerging 2009-2016 Southwark housing strategy.
16. The development of this under utilized Site will remove a visual eyesore and help to reduce opportunities for anti social behavior. This will assist the council in meeting its cleaner, greener and safer agenda.
17. The provision of affordable units will provide decant opportunities for residents moving from the Aylesbury estate.
18. The proposed development will enjoy very high standards of sustainability. Investigations are ongoing about the possibility of connecting to the combined heat and power plant that connects to the rest of the Estate.

### **Community Impact Statement**

19. There are no direct implications of the report's recommendations on the council's managing diversity and equal opportunities policy.

### **Resource implications**

20. The proposal will generate a substantial capital receipt in support of the council's Housing Investment Programme.
21. Disposal of the vacant Site will relieve the council of ongoing maintenance and management costs such as security and dealing with fly tipping.
22. The purchasers will contribute towards the council's administrative and legal costs in relation to this matter.

### **Consultation**

23. From its inception, the wider Estate regeneration has been the subject of detailed consultation with both the former residents and local community.
24. The terms of this proposed disposal are not deemed appropriate for wider consultation. Any planning application which may arise as a result of this disposal will be subject to the usual statutory consultation.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director for Communities, Law and Governance**

25. The Executive is recommended to approve the disposal of the Site to the proposed purchaser on the terms outlined in the closed report by way of a building lease for 125 years and thereafter, upon practical completion of the proposed development of the Site, to transfer the council's freehold interest to the purchaser.

26. The Executive is advised that as the Site is land held for housing purposes any disposal of it can only proceed in accordance with Section 32 of the Housing Act 1985 (as amended), for which purposes the consent of the Secretary of State for Communities and Local Government is required. However, a number of general consents have been issued in The General Housing Consents 2005 which permit the sale of housing land, provided that certain conditions are met.
27. The Executive is advised that General Consent E3.1 provides that a local authority may dispose of any land held for the purposes of Part II for the best consideration that can reasonably be obtained, provided that any dwelling-house included in the disposal;
- (a) is vacant;
  - (b) will not be used as housing accommodation ;
  - (c) will be demolished.
28. The Executive will note at paragraph 6 of this report that the Site is cleared and at paragraph 11, the Head of Property considers that the proposed consideration represents the best consideration that can reasonably be obtained, therefore the Executive may approve the recommendations.

#### **Finance Director**

29. This report recommends the terms for the disposal of land at the Coopers Road Estate SE1 on a building lease. The Finance Director notes that the Head of Property will agree any variations to the terms that may be necessary to achieve the regeneration in the light of further negotiations and securing full planning consent. The disposal is on a long lease until satisfactory and practical completion of the proposed development, when the freehold interest in the Site will be transferred to the developer. The Finance Director notes that the Head of Property considers that this arrangement represents best consideration under section 123 of the Local Government Act 1972.
30. The Finance Director notes that the net receipts from the disposal are to be reinvested in the Housing Investment Programme, and that the council's reasonable surveying and legal costs will be recovered from the purchaser, up to £10,000

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Drivers Jonas Valuation	Southwark Property, Regeneration and Neighbourhoods, 160 Tooley Street SE1 2TZ	Paul Davies Principal Surveyor 020 7525 5529

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Ordnance Survey Extract

## AUDIT TRAIL

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
<b>Report Author</b>	Paul Davies, Principal Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	October 2 2009	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>		October 5 2009