

Item No. 12.	Classification: Open	Date: 12 December 2017	Meeting Name: Cabinet
Report title:		Aylesbury Phase 3 Rehousing Update	
Ward(s) or groups affected:		Faraday	
Cabinet Member:		Councillor Mark Williams, Regeneration and New Homes	

FOREWORD - COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES

Due to the ongoing repair and maintenance problems in phase 3 cabinet instructed officers earlier this year to consult with residents in that phase on their rehousing options. The consultation asked residents whether they would prefer to wait for rehousing from their blocks to wait until the new homes on phase 1 are ready, or to have the option to bring them forward to enable them to move to new and available council and other social rent homes in the local area that will be ready between now and the end of 2020. Under the latter option the residents of phase 3 would also be able to wait and move directly into the new homes when they are ready on phase 1.

Cabinet decided that rather than the council making this decision for the residents we felt it was crucial that we consult with the residents, explain the options, and listen to what they said. The findings of this consultation are summarised in this report, the overwhelming response is for the rehousing of this phase to be brought forward so that residents can choose whether to wait and move into the new homes in phase 1 or to move into the new social rent homes being delivered in the area. This report therefore recommends that cabinet activates Phase 3 for immediate rehousing, and that cabinet approves the acquisition of leasehold interests in Phase 3.

The decision to bring forward the activation of this phase puts the residents in control of their own future, they will keep the right to return and will be eligible for all of the rehousing assistance for Aylesbury residents. Should a significant number of phase 3 residents take up the option to move to new social and council rent homes in the local area then this may have an impact on how rehousing for phase 4. This is due to the new social rent homes in phase 1 being available for residents from phase 4 to move directly into. Phase 4 is considerably larger than all prior phases and further analysis and consultation with residents will be required before decisions are taken on how this phase will be redeveloped.

RECOMMENDATIONS

1. That the cabinet notes the outcome of the consultation exercise carried out with residents in Phase 3 (1-56 Northchurch, Taplow, 184 and 218 East Street) of the Aylesbury Regeneration programme.
2. That the cabinet in line with the outcomes of the consultation activates Phase 3 for immediate rehousing.
3. That the cabinet approves the acquisition of leasehold interests on land known

as Phase 3 of the Aylesbury Estate Regeneration Programme via negotiation and delegates the approval of compensation packages to the Director of Regeneration.

BACKGROUND INFORMATION

4. On 9 May 2017, cabinet considered the report Aylesbury Regeneration Programme Delivery, and agreed the recommendations to consult affected residents about bringing forward the start of rehousing programme for Phase 3 and to bring the decision on whether to start the rehousing of this phase to a future cabinet meeting.
5. This report sets out that under the current programme, it was anticipated that Phase 3 (Taplow, Northchurch 1-56, 184 East Street and 218 East Street) would be activated for rehousing in late 2018 allowing vacant possession by 2021.
6. The report in May 2017 noted that without considerable investment, it was considered that the properties in Phase 3 would not have more than a five year life.
7. Alongside this the development programme for sites in East Walworth, Newington and Faraday (excluding Aylesbury) there are 725 new homes scheduled for completion between 2017 and 2021 of which 262 are social rented. The new homes at Stead Street and Harvard Gardens have proved very popular with Aylesbury residents in earlier phases. By activating Phase 3 tenants sooner, the opportunity for priority moves to the new social rented homes completing in the area would be increased.
8. On this basis it was proposed that secure tenants and leaseholders in Phase 3 were consulted about the option of moving the activation date forward for rehousing. This report sets out the outcome of that consultation and seeks approval for the immediate activation of secure tenants and leaseholders in Phase 3 of the Aylesbury regeneration programme.
9. Phase 3 is currently comprised of 218 tenant households and 24 leasehold households (13 resident and 11 non-resident). Cabinet have previously agreed that early buybacks of leaseholders including Phase 3 could take place and to date 17 leaseholders in this phase have already sold back to the council (and are not included in the figures above).
10. The council served Initial Demolition Notices on all of the blocks in Phase 3 in January 2013 and there are currently no live Right-to-Buy applicants in the Phase. The council stopped letting properties on Phase 3 to secure tenants in February 2016.

KEY ISSUES FOR CONSIDERATION

11. Following the cabinet report in May 2017, council officers conducted a procurement exercise to select an external survey organisation to carry out a consultation exercise with secure tenants and resident leaseholders residing in Taplow, 1-56 Northchurch, 184 East and 218 East Street.
12. Infocorp, the firm who are commissioned to run the council's resident survey scored most highly and were therefore selected to undertake the work.

Survey methodology

13. All residents were contacted by a letter delivered on 13 October 2017 that the council was about to commence a survey of residents in Phase 3 to ascertain their views on whether they would like to be activated in advance of their current scheduled date of activation in August 2018.
14. The letter explained that early activation would mean:
 - Residents would be able to choose to move to brand-new homes being delivered in the local area from early 2018.
 - Tenants would be able to bid for these new properties and other council properties locally through the Council's online choice-based letting system, Homesearch.
 - Residents would not have to move now, however, and could still choose to wait until new social rent homes being delivered on the Aylesbury Estate come forward from around 2020 onwards.
 - Any tenant who did chose to move would retain the option to return to new homes on the estate, should they wish to do so once all remaining tenants from the estate have been rehoused.
15. Fieldwork commenced on 16 October 2017 and lasted for two weeks, completing on 7 November 2017. Infocorp conducted the survey by sending local interviewers to knock on the door of properties to talk residents through the survey questions.
16. Interviews would only be conducted with the tenant or the leaseholder of the property and where a door was opened by anyone other than the tenant or leaseholder (or spouse), the interviewer attempted to arrange a call-back. On a second round of visits interviewers revisited all addresses where there had been no interview on the first visit, unless the address was ruled out (e.g. the tenant or leaseholder refused to take part). All addresses were visited on at least three occasions, at different times of the day and on different days of the week to maximize the response rate achieved.
17. In addition to asking residents about the option of bringing forward the Phase 3 rehousing, the survey was also designed to gather demographic profile data on the households in line for rehousing as part of Phase 3 to enable the Council to conduct further equality analysis.

Outcome of the Survey

18. A total of 659 visits were carried out across the 242 addresses of secure tenants and leaseholders. A total of 155 interviews were carried across the 242 addresses, giving a total response rate of 64%.
19. Three properties refused to provide an interview response, whilst there was no response from 85 properties.
20. Of those respondents to the survey 98.1% of all survey participants were tenants and 1.9% were resident leaseholders. In total 70% of tenants responded to the survey, whilst 23% of resident leaseholders responded to the survey.

21. All residents were asked the following question: 'Do you think the council should consider early activation of rehousing for residents of Phase 3, if this would give those residents the option to move to new homes now being delivered within the local area?'
22. The overall response was that 84% of all those interviewed said that they agreed that the council should consider early activation of rehousing for residents in Phase 3, on the basis that this will give those residents the option to move into new homes in the local area. Only 16% of those interviewed said the council should not consider taking this step. The breakdown by block is as follows:

Block	Yes	No
East Street	100%	0%
Northchurch	73%	27%
Taplow	86%	14%

23. Both tenants and leaseholders were in favour of the proposals to bring forward activation of the phase, with the breakdown set out below:

Tenure	Yes	No
Tenants	84%	16%
Resident leaseholders	67%	33%

24. In general the survey showed that householders in younger age groups are more likely to want to see early activation than older residents:

Age	Yes	No
18-24	100%	0%
25-34	85%	15%
35-44	83%	17%
45-54	88%	12%
55-64	78%	22%
65+	73%	27%

White or white British residents are somewhat less likely to want early activation than those from other ethnicities, but are still overall significantly in favour:

Ethnicity	Yes	No
White / White British	72%	27%
Black / Black British	90%	10%
Other	88%	12%

Whilst household make-up and disability had no clear impact on how residents view early activation:

Disability in Household?	Yes	No
Yes	82%	18%
No	85%	15%

Ethnicity	Yes	No
Single person	82%	18%
2 adults (no children)	91%	9%
2 adults with children	89%	11%
1 adult with children	79%	21%
More than 2 adults (no children)	73%	27%
Other	83%	17%

Rehousing opportunities

25. As set out in paragraph 9 of this report there are a range of new development sites in East Walworth, Newington and Faraday (excluding Aylesbury) which are coming forward in the coming years which includes 198 new homes at social rents. A map of these properties and their location in regard to Phase 3 of the Aylesbury regeneration programme is set in Appendix 1.
26. However the activation of the phase does not mean that residents will be required to move immediately. Rather this enables residents to be able to choose to move to new homes being delivered locally at social rents should they chose to do so. But equally they will be entitled to remain in their current home until new Notting Hill Housing Trust homes are completed on the Aylesbury First Development Site and Plot 18, and the council requires vacant possession of the site to enable demolition of the buildings to progress the construction of new homes on the site.

Acquisition of Leasehold Interests

27. The council holds the freehold interest on which the entire development site is situated but in order for council to proceed with the regeneration of the estate it will be necessary to acquire the leasehold interests located in Phase 3 of the regeneration.
28. The council has had some contact with leaseholders in Phase 3 through early buy-back schemes, but once the phase is active council officers will be actively engaging with leaseholders in order to secure the purchase of their interests by agreement. For resident leaseholders the activation of the phase will mean that they will be eligible to apply for rehousing assistance from the council or through opportunities through the council's development partner, Notting Hill Housing Trust.
29. If necessary a report will be presented to cabinet at a future date to seek approval to commence CPO proceedings for any outstanding leasehold interests in Phase 3 should this become necessary.

Void units

30. Any properties made void through the rehousing process in Phase 3 will be used for temporary accommodation where feasible.

Non-residential units

31. Phase 3 contains a range of non-residential units, which are unaffected by this report that is focussed on the activation and voluntary rehousing or secure tenants and leaseholders. These include:

- commercial unit at 1 & 2 Northchurch
- Chaplin Centre and units 3-13 Taplow which are currently leased to Hollybrook Homes and sub-leased to the Artist Studio Company
- the Old Pharmacy which Notting Hill currently use as their estate base
- unit 2 Taplow
- Aylesbury early years centre
- Taplow pharmacy
- GP surgery
- CCG Health Centre
- Council housing offices.

32. The council will however require vacant possession of these units in future years in order to deliver vacant possession of the site. In all cases the council has a strategy in place for achieving vacant possession of the units, either through the end of the current leases or where these exceed the date expected to be required for vacant possession through re-provision.

Policy implications

33. The council's executive agreed the strategy for the overall redevelopment of the Aylesbury estate in September 2005, following which the Aylesbury Area Action Plan was adopted in January 2010. The rehousing of secure tenants and leaseholders from Phase 3 of the regeneration follows these policy decisions and there are therefore no new policy implications arising as a result of this report.

Community impact statement

34. The Equality Act 2010 requires the council, when taking decisions, to have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
- (c) Foster good relations between those who share a relevant characteristic and those that do not share it.

35. The council through a process of regular review as been considering the impact on all protected groups throughout the development of the proposals for the regeneration of the Aylesbury estate. As part of the production of the Aylesbury Area Action Plan (AAP) an Equalities Impact Assessment was carried out and the formulation of the Plan had regard to that Assessment. The assessment identified some of the impacts of the development, raising, for example the issue that land market forces may have a significant impact on the regeneration. This could result in certain groups (such as families and the unemployed), as well as low-income residents, moving away from the area to cheaper locations.

36. In 2017 the council commissioned an independent organisation, Mott MacDonald to conduct an EqIA to assess the impacts of the council's CPO on the remaining residents on Site 1b/1c. Although specific to the residents on Site 1b/1c this EqIA also considers, where relevant, impacts on residents of the Aylesbury Estate as a whole, and residents across Southwark.

37. Following these reports the council has also undertaken an EqIA within the context of the information collected through the Phase 3 survey. The EqIA identifies that the council has a number of mitigating actions in place, including:
- Rehousing policies through the council and opportunities through the Council's development partner which provide a range of local re-housing opportunities that enable residents to move locally (if they chose to do so) to a new home that meets the needs of their family and financial position.
 - A dedicated team of officers who support both tenants and leaseholders through the rehousing process.
 - Support and guidance is also available to all residents on the Aylesbury through Creation Trust, who are a charitable Trust based on the Aylesbury estate and who work with all residents of the estate but have a particular focus on those that may be vulnerable or need additional support.
 - The development of new homes on the FDS, Plot 18 and elsewhere in locality will provide high quality homes to modern standards for tenants of the Aylesbury estate and other tenants in the borough to move to.
38. The council considers that the potential impacts of the scheme are fully addressed through the operation of its rehousing policies and provision of dedicated support and guidance available through council officers and local independent organisations that provide support and guidance to Aylesbury residents.
39. Through the consultation process the council has also sought to update its understanding of the makeup of individuals affected in order to continue to monitor any resulting impacts as the rehousing of secure tenants and leaseholders on Phase 3 progresses. The council will also seek to update and expand upon this information later in the rehousing process as it continues to discharge its public sector equality duty.

Resource implications

40. It is anticipated that the rehousing of secure tenants and support to resident leaseholders in Phase 3 can be managed through existing resources within the council's regeneration and housing teams.

Legal implications

41. The legal implications of this report are set out in the concurrent report of the director of law and democracy.

Financial implications

42. Cabinet was updated in September 2016 on the financial impacts of revised arrangements for the First Development Site on the overall Aylesbury programme budget. The budget figures reported to cabinet in September 2016 included an allocation of £2.7m for leasehold acquisitions from later phases, of which £1.6m was apportioned to Phase 3. Phase 3 comprises a total of 24 leasehold properties and it has been estimated that the overall cost of leasehold interests in this phase is £7.2m. This ultimately represents an additional budget requirement of £5.6m however as the pace of existing acquisitions has slowed, this is not expected to result in an immediate additional requirement. Further work is underway to re-

profile the overall programme and will be reported back to cabinet through the capital monitor.

Consultation

43. There has been extensive consultation on the overall regeneration programme for the Aylesbury estate, which has been set out in detail within previous reports. This includes extensive consultation on the formation of the AAAP, non-statutory and statutory consultation undertaken on the outline masterplan and detailed FDS planning applications, and non-statutory and statutory consultation undertaken on the reserved matters planning application for Plot 18.
44. As set out in paragraphs 11-23 of the report, the council has undertaken extensive consultation with affected residents. 64% of the residents affected responded to the survey, whilst a further 1% asked not to take part. This is a high response rate for a survey of this type, and resulted in an overwhelming majority of residents supporting the opportunity for early rehousing for Taplow, 1-56 Northchurch, 184 and 218 East Street.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

The Equality Act 2010

45. Paragraphs 34 -39 of the report refer to The Equality Act 2010 and the steps taken and being taken to ensure the council's continued equalities impact assessments and reviews to ensure the mitigation in place enables the council to meet its public sector equality duty. The relevant prescribed protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. The report refers to the recent collection of equalities data through the Infocorp survey and the assessment of this data will enable identification of any potential disproportionate effects on groups sharing protected characteristics so that these can be considered, and where appropriate any further mitigation beyond those already in place which might be required can then be put in place in order for the Council to meet its public sector equality duty. Members should have due regard to this when considering the recommendations.

Consultation

46. The report recommends the activation of Phase 3 for immediate re-housing and acquisition of leasehold interests, as opposed to the current early buybacks and intended activation in late 2018, and sets out the consultation carried out and the responses received. The law requires that consultation must be undertaken when proposals are at a formative stage and include sufficient information and time for interested parties to respond. This must be satisfied for fair and proper consultation with the outcomes being taken into account in the final decision making process.
47. There are also specific provisions for consultation with secure tenants under Section 105 of the Housing Act 1985 which requires the council to consult with

those of its secure tenants likely to be substantially affected as a whole or as a group by a matter of housing management which, in the council's opinion as landlord, represents a new programme of maintenance, improvement or demolition, or a change in the policy or practice of the council.

48. Phase 3 contains 218 properties occupied by council secure tenants and the activation immediate rehousing will affect all the secure tenants as a group in Phase 3. There are also 24 remaining leaseholders.
49. Cabinet members should satisfy themselves as to the consultation carried out and take into account the outcome of the consultation when making decisions on the recommendations.

Re-housing

50. The council is required to provide suitable alternative accommodation for secure tenants under the Housing Act 1985 and aims to re-house tenants by agreement. Where agreement is not possible the council has the ability, following service of the requisite statutory notice of seeking possession, to bring a claim for possession against its secure tenants under Ground 10 of Schedule 2 of the Housing Act 1985. The court will not make an order for possession of a dwelling-house let under a secure tenancy on Ground 10 unless it is satisfied that suitable alternative accommodation will be available for the tenant when the order takes effect. The Land Compensation Act 1973 contains provisions for payment of compensation.
51. In the case of other occupiers (leaseholders and any private tenants) the council is not generally required to re-house those occupying who are displaced by redevelopment. However, in certain circumstances a limited duty may arise under Section 39 of the Land Compensation Act 1973 which requires local housing authorities to re-house residential occupiers who are displaced from residential accommodation in circumstances that include where land is acquired by a local authority possessing compulsory purchase powers. The duty to re-house only applies where suitable alternative accommodation on reasonable terms is not otherwise available and council will need to look at the circumstances of all displaced persons.

Acquisition of freehold interests

52. Section 120(1) of the Local Government Act 1972 ("the 1972 Act") authorises the council to acquire any land by agreement for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area. By virtue of Section 120(2) of the 1972 Act the council may require by agreement any land for any purpose for which it is authorised by the 1972 Act or any other Act to acquire land, notwithstanding that the land is not immediately required for the purpose; and, until it is required for that purpose, it may be used for the purpose of any of the council's functions. Section 227 of the Town and Country Planning Act 1990 also enables the council to acquire land by agreement if it will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land if this is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of its area, or if it is required for a purpose which is necessary to achieve in the interests of the proper planning of an area in which the land is situated. Therefore, there are adequate powers available to the council to acquire the

freehold and long leasehold properties by agreement.

Payments under the Land Compensation Act 1973

53. As a result of the activation of this phase, persons with a qualifying legal interest who are displaced from their properties, such as tenants, leaseholders or freeholders, will be eligible for mandatory statutory compensation payments and may also receive discretionary statutory compensation payments and removal expenses. These will be made in line with the applicable legislation and council policy at the appropriate time.

Demolition Notices

54. The Initial notices served and dated 14 January 2013 expire on 30 December 2019 and further notices will be required before the expiry of the current notice in due course so as to continue to prevent Right to Buy from secure tenants under the Right to Buy discount regime under powers conferred by Schedule 5 of the Housing Act 1985.

Strategic Director of Finance and Governance (H&M17/080)

55. This report proposes to bring forward the activation of Phase 3 of the Aylesbury Regeneration programme so as to provide tenants with an increased opportunity for priority moves to new social rented homes becoming available in the local area. This follows a consultation exercise with residents in the Phase 3 area, in which the majority of those responding expressed support for the proposal.
56. It is anticipated that the costs associated with rehousing secure tenants will be managed within existing budgets. Activation of Phase 3 will also result in the council buying back leasehold properties from residents. At this stage, the cost and timing of the buy backs is not certain, but the overall cost is estimated to be in the region of £7.2m. In September 2016, Cabinet approved an allocation of £2.7m for the early acquisition of leasehold properties in Phases 3 and 4, of which £1.2m was for Phase 3. Thus the additional approval sought for the remainder of Phase 3 is £5.6m.
57. There is an estimated resource shortfall for the Housing Investment programme for 2017/18 and also over the life of the whole programme. There is also likely to be further demand on the capital programme as a consequence of local or national demands for resources following the Grenfell fire. It is, therefore, important that the cost of these works is carefully monitored and that accurate forecasting is in place.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Aylesbury Regeneration Programme Delivery	Regeneration South Chief Executives 160 Tooley Street London SE1 2QH	Neil Kirby 020 7525 1878
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6156		

APPENDICES

No.	Title
Appendix 1	SE17 Walworth Affordable Housing Supply 2018-2021

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams, Regeneration and New Homes	
Lead Officer	Neil Kirby, Head of Regeneration South	
Report Author	Simon Chambers, Regeneration Manager	
Version	Final	
Dated	30 November 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	30 November 2017	