

Item No. 11.	Classification: Open	Date: 24 July 2018	Meeting Name: Cabinet
Report title:		Aylesbury Estate: Approved Premises Facility (APF) Delivery	
Ward(s) or groups affected:		Faraday	
Cabinet Member:		Councillor Johnson Situ, Growth, Development and Planning	

FOREWORD – COUNCILLOR JOHNSON SITU, CABINET MEMBER FOR GROWTH, DEVELOPMENT AND PLANNING

The transformation of the Aylesbury estate will create new quality homes in the area, dramatically improve living conditions with new community facilities and increase the amount of genuinely affordable homes in the area.

This report updates Cabinet on the decision it took in October 2017 to begin the compulsory purchase order (CPO) process to enable the delivery of the Approved Premises Facility on the Aylesbury Estate. This new modern facility will enable the Ministry of Justice to move the current facility from the First Development Site of the Aylesbury Estate. This in turn will unlock the delivery of more than 800 new homes including over 300 new social rent, extra care, and learning disability homes on that site.

RECOMMENDATIONS

1. That Cabinet notes that on 31 October 2017 it resolved to make a compulsory purchase order under section 226 (1)(a) of the Town & Country Planning Act 1990 for all land and rights within the area of land identified within the plan at Appendix 1.
2. That cabinet notes the content of this update report on progress towards obtaining vacant possession of the site and in particular that:
 - The council has updated its leaseholder assistance policy enabling qualifying residential leaseholders to purchase under improved shared equity or equity loan terms;
 - The council has completed the acquisition of one leasehold property;
 - Terms have been agreed for the acquisition of one further leasehold interest underway;
 - Just two third party interests in the site, one leasehold and one freehold, remain to be acquired;
 - All remaining owners have received further revised financial offers for the acquisition of their properties since the cabinet resolution to the use of CPO powers;
 - While officers will continue to engage with all remaining property owners to attempt to buy back those properties by agreement, the council will now proceed to make a compulsory purchase order.
3. That cabinet also notes the overall progress on the delivery of this project:

- A detailed tender process for a principal contractor for the construction of the new APF has been completed and a preferred contractor has now been appointed;
- The main construction contract has now been entered into and practical completion of the new APF is programmed for Spring 2020.

BACKGROUND INFORMATION

4. The background to the regeneration of the Aylesbury Estate has been covered extensively in previous reports.
5. In particular, on 31 October 2017 Cabinet considered a report on the delivery of the new Approved Premises Facility (APF) within Plot 4 of Phase 2 of the Aylesbury Estate and resolved to make a compulsory purchase order to enable the timely delivery of those facilities noting that the CPO would be made following an update report on progress towards obtaining vacant possession of the site. The present report provides that update.

KEY ISSUES FOR CONSIDERATION

The scheme

6. The consented scheme for the Site will deliver a new 36-bed residential facility managed by the National Probation Service that provides housing and support for the purposes of rehousing and supervision of former offenders released from prison in order to manage their successful reintegration into society. Planning permission was sought and obtained for the scheme in order to provide alternative premises for the Ministry of Justice facility currently housed at Ellison House within the First Development Site. Full details of the scheme were set out in the report to cabinet on 31 October 2017 and the scheme remains unchanged.

Vacant possession

7. While construction of the APF Scheme can commence on land already within the council's control, full implementation of the scheme will require the council to achieve vacant possession of the block at 1-30 Foxcote and 140 Albany Road to enable these buildings to be demolished and this land to be redeveloped as part of the scheme in line with the existing planning consent. Furthermore, vacant possession of these buildings is also required to enable the future delivery of their redevelopment along with the surrounding land in line with the outline planning permission for the redevelopment of the wider estate.
8. Cabinet was advised of the position in terms of outstanding interests in these buildings in October 2017. At that time, the 30 properties within the block of 1-30 Foxcote comprised three leasehold properties, four properties occupied on secure tenancies, six properties occupied by households in temporary accommodation and 17 void properties. At the present date, there remains two leasehold properties and two properties occupied on a secure tenancy, and there is now one property occupied by a household in temporary accommodation and 25 void properties.
9. Since the last report to Cabinet, two further households on secure tenancies have been rehoused in existing council homes on secure tenancies on the same basis. This takes the total number of households on secure tenancies successfully rehoused to 18 out of the 20 present when rehousing of the block commenced. The

council's Area Housing Office are working closely with the two remaining households on secure tenancies to facilitate their move to new homes on the same basis. One has provisionally accepted a direct offer of a secure tenancy on an existing council home nearby, while a direct offer is shortly to be made to the other household. It is anticipated that both households will have moved within the next two to three months.

10. As reported to cabinet in October, terms had been agreed with the owners of 26 Foxcote and the matter was then in solicitors hands. Acquisition of leasehold interest of 26 Foxcote was completed shortly thereafter on 2 November 2017. Since then, terms have also been agreed for the acquisition of the leasehold interest of 13 Foxcote and solicitors have now been instructed. Subject to successful completion of that acquisition, this will take the number of leasehold properties acquired in the block to ten out of the original eleven.
11. The owner of one remaining leasehold property at 21 Foxcote is a non-resident leaseholder who holds the property as part of a wider property portfolio. The property is currently let to private tenants so there is little incentive for the leaseholder to sell at this point. The Council has made three formal offers to acquire since 2015 as well as various discussions with the leaseholder to acquire, most recently in February 2018. The leaseholder does not agree with valuation of the property. A fourth offer is due to be issued shortly, however the latest view expressed by the leaseholder is that they would prefer to wait until the council has a CPO in place before selling.
12. The freehold property at 140 Albany Rd is a 6 bedroom house converted in the 1990s from a former pub. The property is owned jointly by three brothers, although the council understand there are 13 people living in the property. The Council initially made an offer to purchase the property in May 2017 on the basis of its existing use as a single dwelling. After further discussions, the owners confirmed that they want the value of the freehold to be assessed on development value of the land, which provides a higher valuation than if it were valued as an existing residential property. The Compensation Code (and legal precedent) sets out that where a property is valued as a development site the owner does not get rehousing assistance as a result. The rationale being that to realise the development value of the site the owner would have to voluntarily vacate the property. The council therefore made a second offer for this property in November 2017 on the basis of development value. Since then the owners appointed agents and the council met with agents to discuss valuation of the property in January and February, however since then the Council has been frustrated in taking forward discussions with the agent who has been unable to meet since although the Council have requested to meet a number of times.
13. While officers will continue to engage with the remaining property owners to seek to negotiate the purchase of their properties by agreement in parallel, the council will now need to progress to making the compulsory purchase order in order to ensure that vacant possession of the site is secured within the required timescales.
14. Clearly the council's preference is to reach voluntary agreement with all property owners and in so doing would ensure that any residents renting privately are not at risk of homelessness. Where the council is not able to agree to a purchase by private treaty and instead has to rely upon the exercise of compulsory purchase powers, the council will work with the relevant services to ensure that the

appropriate provision of support and signposting to services takes place to mitigate the risk of those residents renting privately being at risk of becoming homeless as a result of the implementation of a CPO.

Policy implications

15. The policy considerations were set out in detail in the report to cabinet on 31 October 2017.
16. In April 2018, the council updated its leaseholder offer, in response to feedback received by leaseholders on the estate. The council's revised offer now also provides the opportunity for qualifying resident leaseholders affected by the regeneration to the Aylesbury to purchase replacement homes under shared equity or equity loan terms. The key details of the updated policy are as follows:
 - Minimum share under shared equity purchases to be revised from 50% to 25%;
 - Homeowners will no longer have to invest their home loss payment as part of the acquisition of a replacement Council property;
 - Homeowners will now be able to choose between two different council shared equity products – shared equity or an equity loan;
 - Inheritance clauses in shared equity and equity loan leases to be amended to allow one inheritance;
 - Pre-emption clauses to be removed from shared equity or equity loan leases;
 - Commitment to cover additional Stamp Duty Land Tax (SDLT) costs to homeowners as a result of homeowners opting for the new equity loan model.
17. The Aylesbury homeowner guide is being updated including to reflect these changes and will be sent out to all leaseholders on the estate shortly.

Community impact statement

18. The community impact considerations were set out in detail in the report to cabinet on 31 October 2017 and remain valid. In addition to the considerations set out within that report, more detailed work has since been undertaken to further assess whether there are any adverse impacts on groups of any protected characteristic as defined under the Equalities Act 2010. An equalities impact assessment (EqIA) focusing specifically on the five remaining properties within 1-30 Foxcote and 140 Albany Road that are either still owned or tenanted was undertaken. The EqIA on the remaining residents built on the EqIA that was conducted in 2009. It considered the potential disproportionate impact upon the remaining residents as a result of the redevelopment of the site, due to their protected characteristics, and examined the range of mitigating measures put in place by the council to mitigate the potential disproportionate impacts.
19. While it noted that there is limited available data on the complete socio-demographic profile of the remaining occupied properties, it used all available information on the demographic profile of residents to inform the assessment. No equalities information was collected for either of the resident leaseholders, as no response was received. The EqIA noted that there is a mix of gender and age living in these properties. There is one child under 16, one young person aged 18-24, three people ages 35-44, and one person aged over 50 years. Some of

the residents have been identified as coming from a BAME background. There is incomplete data on disability, however, where residents have provided equality information no resident has declared any medical needs which would impact on re-housing.

20. A summary of the potential impacts on groups of protected characteristics and the associated mitigation measures extracted from the full EqIA is set out below:

Potential impact(s)	Group(s) affected	Mitigation(s)
Potential loss of access to key social infrastructure and services. Relocation can potentially increase distance from places of social connection located on or in close proximity to the Estate, e.g. schools, youth services, health and community centres.	Children Young people BAME communities	A range of options are available for resident leaseholders who want to stay in or close to the Estate to suit different circumstances. Three rehousing options for secure tenants
Potential loss of social capital and increase in financial outgoings	Young people BAME communities Disability Women Older people	A range of options are available for resident leaseholders designed to enable leaseholders to retain the value held within their current property. Policies are also in place which ensure that people do not use all their available means and resource to secure a new property. Compensatory measures are available for Council tenants based on assessed need, including disturbance and home loss payments. Supporting material and engagement with residents has been undertaken by the Council to help ensure that they are clear about their options.
Potential challenges securing a suitable and accessible home.	BAME communities Children and young people	The Council has provided a range of rehousing options to residents. As part of their rehousing assessment they ensure that these options are linked to the residents need.
Increased personal security risks resulting from the number of vacant	BAME Older people Women	Security cameras are located next to the site offering 24-hour

Potential impact(s)	Group(s) affected	Mitigation(s)
properties, dereliction and dead space.		surveillance The Council has increased the frequency of warden patrols on the estate to reduce ASB, particularly around Wendover.

21. As well as analysing the potential for disproportionate adverse impacts, specific to the residents remaining on the site, the EqIA also took into consideration the wider benefits from the redevelopment of the site. Summarising that the redevelopment of the site, as part of the redevelopment of the wider estate, will provide the following benefits for the wider community:

- improved quality of housing and living conditions (including provision of affordable housing);
- improved open spaces and public realm;
- a range of new and expanded community facilities.

22. The EqIA concluded that there remained a compelling case in the public interest for the redevelopment.

Resource implications

23. There are no additional resource implications as a result of this report.

Legal implications

24. The legal considerations were set out in detail in the report to cabinet on 31 October 2017.

Financial implications

25. The financial considerations were set out in detail in the report to cabinet on 31 October 2017.

Consultation

26. 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 AAP, non-statutory and statutory consultation undertaken on the outline masterplan and detailed FDS planning applications, and non-statutory and statutory consultation undertaken on the detailed planning application for the APF development.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

27. The Cabinet considered the delivery of the Approved Premises Facility on the site fronting Albany Road as shown at Appendix 1 at its meeting on 31 October and resolved to make a compulsory purchase order. Paragraph 3 of that report confirmed that an update would be provided to Cabinet concerning progress towards obtaining vacant possession before the CPO is made. This report

therefore provides details of that progress and asks the Cabinet to note this.

28. The legal implications which arise from making a compulsory purchase order were set out in some detail in the October report. In particular, the attention of Members was drawn to the public sector equality duty ("PSED") which arises from section 149, Equality Act 2010 and the requirement that public authorities have regard to:
- Eliminating unlawful discrimination, harassment and victimisation;
 - Advancing equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - Fostering good relations between different groups
29. The PSED is a continuing obligation and therefore it is appropriate for the background evidence presented to Cabinet to be updated. Therefore, paragraphs 18 to 22 of the report refers to a specific equalities impact assessment (the "EQIA") which has recently been undertaken and a summary of the assessment is contained within the report. It should be emphasised that an EQIA is not legally essential but it does provide evidence of the discharge of the PSED. However, the report does acknowledge that there has been considerable difficulty in obtaining reliable information from some of the residents currently in occupation. The assessment makes a finding that some of the residents come from BAME backgrounds and therefore an impact on persons with a protected characteristic has been identified.
30. Details are provided as to the efforts to secure vacant possession and the progress that has been made with negotiations. Section 3.4 of the EQIA sets out the mitigation measures which are in place and in particular the rehousing options which are available. The EQIA also refers to the wider benefits of the Aylesbury regeneration scheme.
31. Members will need to weigh the impact on residents with a protected characteristic against the mitigation provided and also the overall benefits of the scheme. It is noted that some of the equalities information is less than complete and especially in the case of the freehold property which has identified 13 residents who are all categorised as being from black, Asian and minority ethnic backgrounds but there is no specific detail nor information concerning ages or possible disabilities. The council should continue to try and update its understanding of the background of the individuals affected. However, Members may decide that the importance of providing an alternative Approved Premises Facility to contribute towards the delivery of the overall Aylesbury estate regeneration when taken with the difficulty in obtaining information and progressing negotiations with some of the owners of some of the properties and coupled with the revised rehousing options now available outweigh the acknowledged harm to the occupiers of certain properties.

Strategic Director of Finance and Governance (FC18/008)

32. This report is requesting cabinet to note the date of the resolution of CPO for all land and rights within the area of land identified within the plan at Appendix 1, content of this update report on progress towards obtaining vacant possession of the site and the overall progress on the delivery of this project. Full details and background is provided within the main body of the report.
33. The strategic director of finance and governance notes that costs will be contained

within the current approved Aylesbury capital programme.

34. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Aylesbury Area Action Plan	Regeneration South Chief Executives' 160 Tooley Street London SE1 2QH	Matt Derry 020 7525 3787
Link (copy and paste into your browser): http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plans?chapter=5		
Gateway 2 - Contract Award Approval Development partner for the regeneration of the Aylesbury Estate (Cabinet, April 2014)	Regeneration South Chief Executives' 160 Tooley Street London SE1 2QH	Matt Derry 020 7525 3787
Link (copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s44910/Report.pdf		
Aylesbury Regeneration Programme Delivery (Cabinet, 9 May 2017)	Regeneration South Chief Executives' 160 Tooley Street London SE1 2QH	Matt Derry 020 7525 3787
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?AllId=44960		
Aylesbury Regeneration Programme Delivery (Cabinet, 20 September 2016)	Regeneration South Chief Executives' 160 Tooley Street London SE1 2QH	Matt Derry 020 7525 3787
Link: http://moderngov.southwark.gov.uk/ielssueDetails.aspx?Id=50010613&Opt=3		
Amending the shared equity rehousing policy for qualifying homeowners affected by regeneration	Regeneration South Chief Executives' 160 Tooley Street London SE1 2QH	Matt Derry 020 7525 3787
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?id=6501		

APPENDICES

No.	Title
Appendix 1	APF CPO plan

AUDIT TRAIL

Cabinet Member	Councillor Johnson Situ, Growth, Development and Planning	
Lead Officer	Neil Kirby, Head of Regeneration South	
Report Author	Matt Derry, Senior Regeneration Manager	
Version	Final	
Dated	13 July 2018	
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		13 July 2018