

Item No.	Classification: Open	Date: February 9 2010	MEETING NAME Executive
Report title:		Appointment of Development Partner and disposal of Council land at Wooddene Peckham High St / Queens Road Peckham SE15	
Ward affected:		Peckham	
From:		Strategic Director of Regeneration and Neighbourhoods	

RECOMMENDATIONS

That the Executive

1. Approves the disposal of the Wooddene site on the main terms and conditions that are set out in the closed report.
2. Authorises the Head of Property to agree any variations to these terms that may be necessary to achieve the successful regeneration of the Wooddene Site.
3. In the unlikely event that this proposed sale to the recommended developer does not proceed to exchange, the Executive authorises the Head of Property to agree the terms of a sale with the under-bidders set out in the closed report or failing such to re-market the site within such further timetable as deemed necessary, provided that such terms conform with the council's legal obligation to achieve the best consideration reasonably obtainable.
4. Authorise that the capital receipt from the sale of the property is recycled into the Council's housing investment programme.

BACKGROUND INFORMATION

5. The development fronts on to the main A202 Queens Road between Meeting House Lane and Carlton Grove in Peckham SE15 (outlined red on attached plan Appendix 1). The site was formally a substantial Housing site with early 1960's council tenanted flats of reinforced concrete construction. The rest of the Acorn estate comprises low rise maisonettes and it is intended that these will remain as being acceptable standard housing.
6. A decision was taken by the council to decant the tenants and demolish the blocks which was successfully undertaken by the end of 2007. The decision to demolish was taken due to the substantial crime problems and poor housing conditions provided by the block. It was considered that leaving the property empty would lead to further problems. It would be an eyesore as well as being prone to squatting and vandalism.
7. The site has return frontage to Meeting House Lane and Carlton Grove and is of sufficient size (4.1 acres) to create its own identity as a 'landmark' development.
8. The site has been cleared save for two electrical substations and the District Heating Centre which serves the whole of the Acorn Estate, and the block on Carlton Grove. The entire site is levelled and securely fenced.

9. It is intended that the council will provide a new heating and possibly a power plant (CHP – Combined Heat and Power) on an alternative site to serve the whole of the Acorn estate including the new development. This will benefit existing Acorn residents in the provision of more efficient and lower energy costs.
10. The council is currently in discussions with a number of energy providers who are in a position to provide such installations at substantially reduced cost to the council in the form of plant provision funding as part of the Community Energy Savings Package.
11. The main reason for the inability to bring the Wooddene site forward earlier was the changes in planning policy of the London Plan which required there be no net loss of affordable homes. The former blocks previously on the site were demolished but provided a large number of affordable units. Any proposal that incorporated their replacement would not be commercially viable and runs contrary to Southwark Council policy regarding developing mixed tenure sustainable communities.
12. Southwark Council's new core strategy following agreement with the Greater London Authority has allowed these development constraints to be relaxed.
13. The site area is approximately 1.69 Hectares, being a flat rectangular level site with road access on all sides. Please refer to appendix 1.
14. The freehold of the site is owned by the London Borough of Southwark. Within the title it includes the majority of the Acorn Estate. The proposed development will be subdivided from the main title.
15. Agreement that Wooddene be demolished and re-developed as part of the Southwark Estate Initiative (SEI) was made at Strategic Committee / Full Council on January 25 2000.
16. A further report to Executive seeking Compulsory Purchase Powers to aid re-housing and bring the site forward for re-development was made in January 31 2006. The rehousing arrangements for Wooddene were agreed by Executive on July 29 2003.
17. The council, however were able to voluntarily negotiate settlement with all leaseholders and it was unnecessary to use compulsory purchase powers.
18. In 2007 the council instructed AOC Architects to undertake a development feasibility study to ascertain the type; massing and heights that could be considered.
19. The council undertook a detailed consultation exercise with local residents and the community to establish views and to incorporate such opinions where practical into the design criteria. Generally the proposals were considered favourably.
20. Following the consultation period the site was marketed to major developers and RSLs and 13 expressions of interest were received.
21. All of these expressions of interest were from parties or consortia that were capable of delivering large scale regeneration projects. A detailed comparative analysis of the expressions of interest was made using assessment matrix

methodology and a shortlist of four parties was identified as the most suitable with whom to proceed.

22. Three bids were received by the tender closing date and they were requested to provide full and final bids which were received on December 11 2009.
23. Only two full and final bids were received as two of the short listed parties co joined as development partners.
24. The selection process has involved planning and housing services within regeneration and neighbourhoods in advising Southwark Property.
25. The shortlisted developers were asked to make their best bids for the site subject to obtaining planning consent for their proposed scheme and on the basis of a development with and without grant funding from the Homes and Communities Agency and irrespective of grant funding.
26. The two bids were then analysed and assessed by Property officers with significant input from colleagues in planning and housing service areas. External advice was sought from independent property consultants who supported the final selection recommendation.
27. The council requires code level 4 environmental sustainability standards for schemes on its land. The new core strategy requires at least 20% of homes to be 3 bedrooms and above and the room sizes to be approximately 10% bigger than the previous standards.
28. The Strategic Director of Regeneration and Neighbourhoods has declared the Wooddene site surplus to requirements for housing purposes.

KEY ISSUES FOR CONSIDERATION

Basis of disposal

29. The council's land is held for housing purposes and the provisions of section 32 of the Housing Act 1985 govern the terms of any disposal. The General Consent for the Disposal Part II Land 1999 enables local authorities to dispose of land held for housing purposes provided that they received the best consideration that can be obtained. The Head of Property is satisfied that the offer from the recommended bidder represents best consideration that can reasonably be obtained.
30. It is expected to take three to four months from instructing lawyers to finalise the terms of the sale and exchange contracts. A planning permission on the sites could be obtained by early 2011 therefore the capital receipt may be received within the financial year 2010 / 2011.

Policy Implications

31. The proposal by the purchaser will see the site developed providing a minimum of 35% affordable homes with a large proportion of these homes being family units of 3 bedrooms and above. This assists the council in meeting its commitment to the adopted 2009-2016 Southwark Housing Strategy.

32. The redevelopment of the site will remove a visual eyesore and help reduce opportunities for anti-social behaviour and fly-tipping thus assisting the council in meeting its cleaner, greener and safer agenda.
33. The provision of affordable units will provide additional opportunities for council tenants in Southwark and for those requiring moves from regeneration schemes.

Equality and Diversity Implications

34. There are no adverse implications identified in respect of this proposal to re-develop the cleared Wooddene site.
35. The regeneration of Wooddene is considered to have benefits to not only the immediate community but also to the wider area of Peckham as a whole in that it will act as a catalyst to further investment.
36. Progress on regenerating the Wooddene will provide new high quality homes for the private and affordable sector, and bring additional benefits of energy efficiencies to the rest of the Acorn Estate.
37. This approach supports the council's Diversity and Equal Opportunities policies. Redevelopment of this site will ensure the diversity of the area will be widened.
38. Former tenants of Wooddene will be given first refusal rights to return to the Estate.

Sustainability implications

39. The development will be constructed to achieve Code of Sustainability Homes level 4 or above. This will help to ensure that this development achieves a very high level of sustainability. Additional to the provision of a new Combined Heat and Power plant will further assist in achieving a reduction of carbon admissions and increase energy efficiency.

Community Impact Statement

40. The recommended option will have a positive impact on the local community and borough as a whole. It will enable the regeneration of a strategic site of the Acorn Estate that has remained undeveloped for several years. It is likely that in excess of 300 new homes will be built with a minimum of 20% suitable for families or larger households in accordance with the new core strategy. 10 % of the units will be suitable for wheelchair users and all will aim to achieve Lifetime Homes standard
41. Antisocial activities associated with empty sites such as fly tipping will also cease once construction begins.

Consultation

42. Extensive consultation was undertaken at the end of 2007 and beginning of 2008 at Peckham and Nunhead community councils with assistance from AOC Architects in providing initial design layouts. Feedback from these consultations was very positive.

43. There will be further extensive consultation as part of the statutory planning process. This will enable local residents to comment on and have a say on the development of these sites. In addition it is likely that the developer will undertake public consultation prior to submitting a planning application to give residents the earliest opportunity to feed into the design process.
44. Prior to this stage there has been consultation with local residents undertaken by Housing Regeneration who aim to continue this as the matters progress, with regular meetings and newsletters, as well as an active website.

Resource implications

45. There are no direct staffing implications arising from the proposed disposal strategy.
46. The council's reasonable surveying and legal costs will be met by the purchasers.

Financial Implications

47. The proposal should generate a substantial capital receipt in support of the decent homes initiative.
48. Disposal of this site will reduce the burden on the neighbourhood housing office's maintenance and repairs budget.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

49. The Finance Director's comments can be found in the closed report

Strategic Director for Communities, Law & Governance

50. As the Wooddene Estate falls within the Council's Housing Portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
51. A number of general consents have been issued in the General Housing Consents 2005.
52. Consent E3.1 states :

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; and*
- c) *will be demolished.*

53. The report indicates in paragraphs 6 and 8 that the site is currently vacant and that the previously existing dwellings on the land have already been demolished.

54. The report indicates at paragraph 28 that the Strategic Director for Regeneration and Neighbourhoods has declared the property surplus to requirements in accordance with the agreement of the Southwark Estate Initiative (SEI) which was made at Strategic Committee / Full Council on January 25 2000, mentioned in paragraph 16.
55. If Executive is satisfied that the price being obtained for the property represents best consideration and that the transaction represents value for money they may proceed with the approval of the recommendations.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Wooddene Regeneration	Southwark Property Regeneration and Neighbourhoods 5 th Floor Tooley Street	Jeremy Pilgrim 0207 525 1133 jeremy.pilgrim@southwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Plan showing the location and extent of Wooddene
Appendix 2	Aerial picture of the site

AUDIT TRAIL

Lead Officer	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods		
Report Author	Jeremy Pilgrim Property Development Manager		
Version	Final		
Dated	January 27 2010		
Key Decision?	Yes	If yes, date appeared on forward plan	Nov 09
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic Director for Communities, Law & Governance	Yes	Yes	
Finance Director	Yes	Yes	
Executive Member	Yes	No	
Date final report sent to Constitutional Support Services	1 February 2010		