

Item No. 6.	Classification: Open	Date: June 18 2009	MEETING NAME Major Projects Board
Report title:		Heygate Replacement Housing Sites: Final Review	
Wards affected:		East Walworth, Newington, Grange, South Bermondsey & Cathedrals	
From:		Strategic Director of Major Projects	

RECOMMENDATIONS

1. The Board authorises :
 - 1.1 An amended extent of the Stead Street site
 - 1.2 The removal of the Leroy Street site from the scheme
 - 1.3 The exclusion of 98-104 Rodney Road from the scheme
2. The Board withdraws the resolution to make a compulsory purchase for the acquisition of 98-104 Rodney Road.
3. The Board confirms the revised extent of the Replacement Housing Package

BACKGROUND INFORMATION

4. On 27 July 2005 the Executive approved the transfer of fifteen sites to housing partners to provide replacement social housing to rent to compensate for the loss of social housing that will result from the demolition of the Heygate Estate. The full list of sites is set out in the first column of Appendix One to this report.
5. Following the Inquiry into the draft Unitary Plan the identified site at Dickens Square was removed as the Planning Inspector deemed that site was not appropriate for housing development.
6. In March 2007 Executive resolved to authorise that the Head of Property and the Elephant & Castle Project Director to vary the terms approved in the July 2005 Executive minute.
7. Following detailed planning and modelling of costs and values the partners were able to demonstrate that delivering 70% of the proposed development for social housing just was not feasible. A revised overall provision of 45% social housing was agreed as a result.
8. Earlier this year, the partners for the Council Offices site at Harper Road and the Pocock Street and Welsford Street sites advised that as a result of the deterioration in the economic climate they could no longer deliver these sites. However, with financial assistance from the Homes and Community Agency they are able to deliver 80% social housing on the Symington House and Royal Road sites. Following consultation with the Major Projects Board a delegated decision was taken to remove these sites from the package and for them to be made available for disposal or service use.
9. It is now proposed to reduce the size of the Stead Street site and to exclude the Rodney Road and Leroy Street sites.

KEY ISSUES FOR CONSIDERATION

10. This has been a long term project and has rightly evolved in accordance with a moving external environment i.e. the Unitary Development Plan and the economy.
11. Underpinning the process of bringing the sites forward has been engagement with stakeholders. For the engagement to be meaningful it has had to cause evolution of the project and this has been the case. Recent discussions have identified the need for the project to adapt further as set out below. Notwithstanding the evolution of the sites there is a need for certainty now for the following reasons:
 - 11.1 To give RSL partners the confidence to invest a considerable amount of money in the remaining sites that don't have planning consents.
 - 11.2 The Housing and Communities Agency [HCA] has advised that in order to be in a position to ensure funding is secured for the remaining sites planning applications need to have been submitted by September/October 2009 and for there to be consented schemes by no later than December. Further uncertainty as to site boundaries etc undermines the achievement of this target and delivering the affordable units. Failure to achieve these deadlines puts at risk around £20million of HCA investment.
12. *Stead Street*
 - 12.1 Nearby residents have expressed concern at the loss of open space at Nursery Row Park. They would like to see no part of the park lost. Removing areas of the park from the development significantly reduces the potential number of new social homes and adversely affects the Council's policy to replace social housing being lost as a result of the Heygate regeneration. However, having reviewed the site and the ability to secure more social housing as a result of the non viability of building homes for sale it is now possible to exclude almost the entire park.
 - 12.2 A consideration is the compromise this change makes to the integrity of the design of the scheme. The community orchard will not be retained. This results in a significant difference in level between the orchard and the new development on the carpark. This means the ground floor of the proposed scheme will need significant design revision. This adds risk to the scheme as the design revision will need to be undertaken very quickly in order to meet funding deadlines. This could result in a poorly designed block and the scheme failing to get planning approval.
 - 12.3 The north-east corner of the park away from the orchard is recommended to be built on to create a community facility replacing the existing English Martyrs Church Hall and allowing homes to be built on that site. This will make the scheme more viable, achieve more of the homes needed and create the potential for an enhanced community facility in this area. This development will be mitigated by sympathetic landscaping. It is not possible to incorporate the Church Hall into the residential development as it will be difficult to reach agreement with the Church authorities who have concerns over their alcohol and entertainment licenses – a stand alone facility will overcome this. If the existing Church Hall is left in situ it is Officers view that the likely development will lack coherence and not meet the general objectives of improving the quality of the built environment in this part of the Elephant and Castle.
 - 12.4 The extent of the revised site to be transferred to the RSL partner is shown edged red on the Plan at Appendix Two. The area hatched green on the same plan is to be reserved for community use and the land shown hatched blue is to be retained for the Park.

13. *Leroy Street*
- 13.1 This is a small garage site in a built up area and initial consultations have given rise to a number of concerns for nearby residents. Since an overall review of lock up garage sites is taking place it is appropriate that this one is considered as part of that review rather than as a replacement Heygate housing site.
14. *98-104 Rodney Road*
- 14.1 This comprises mainly a parade of privately owned single storey lock up shops on an important gateway site to the Elephant & Castle regeneration area. It is shown shaded yellow on the plan at Appendix Two. On both aesthetic and site utilisation grounds regeneration is necessary. Under the Development Agreement for the site Wandle Housing Association [our partner] can call on the Council to exercise compulsory purchase powers to acquire the shops. In this event Wandle will meet in full the Council's costs of making the acquisitions. In preparation for this, the Major Projects Board resolved in January 2008 to make a compulsory purchase order to acquire the necessary properties.
- 14.2 As a result of the decline in the property market Wandle has advised it is not their intention to exercise the option to acquire this site. The reasoning for this is the cost of purchasing the property will exceed the value of the vacant site for development. This is accepted by Council officers.
- 14.3 Wandle's position is disappointing but understandable. The need for the regeneration of this site remains though and will continue to be promoted. However, in the light of the current property market it is accepted that this aspiration is likely to take longer to achieve than was hoped.
- 14.4 Since the regeneration justifying the compulsory purchase resolution will not be proceeding at the present time it is appropriate that resolution be withdrawn.
- 14.5 The owners of the shops have been lobbying for the resolution to be withdrawn and if the recommendation in paragraph 2 is adopted their target will be achieved. However, the need for regeneration of the site remains. The shop owners will therefore be advised it is still the Council's aspiration to have the site regenerated and they will be encouraged to bring it forward themselves but if this does not happen the Council will reserve the right in the future to make a compulsory purchase order.

Financial considerations

15. The changes described in this Report will result in an amended administrative approach to the Project but will not in themselves result in additional capital or revenue expenditure. Depending on the result of the lock up garage review the Leroy Street site might become available for sale in the future and generate a capital receipt.

Policy Implications

16. The reduction in the number of new homes that the sites would have offered will not impact on policy as it develops through the emerging core strategy. The anticipated number of units and the mix can be met elsewhere in the area.

Community Impact Statement

17. In each of the cases removing areas for redevelopment has been in part a response to local concerns about development. Any impact on the community will therefore be mitigated by the action being recommended.

Equality and Diversity Implications

18. As part of the regeneration of the each site proceeding, an Equality and Diversity Impact analysis will be carried out and where potential adverse implications are identified action will be taken to overcome/mitigate them.

Consultation

19. Extensive consultation has taken place in respect of each site.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

20. The changes in approach for the identified sites are not expected to give rise to any additional costs. Any costs arising will be met from existing budgets. The sites of Harper Road, Pocock Street and Welsford Road were entered on the Council's disposal register in the delegated decision of 30th January 2009. Therefore, the sites that do not have a development partner at present will be available for sale or reuse by the council. As a result of the sale of the sites, any retained capital receipts will be added to the central capital pool.

Director of Communities, Law and Governance

21. The legal issues have been fully discussed in the report of the 27 July 2005, the considerations there will still apply.
22. Insofar as any disposal of a site consists of or forms part of an open space Section 123(2A) of the Local Government Act 1972 will apply. The Council may not dispose under Section 123(1) of the Local Government Act 1972 any land consisting or forming part of an open space unless before disposing of the land they cause notice of their intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to them.

Head of Property

23. No further comments.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Project file	63-67 Newington Causeway London, SE1 6BD	Patrick McGreal ☎ 0207 525 5626

APPENDICES

No.	Title
Appendix One	Table showing current status of Replacement Heygate Housing sites
Appendix Two	Plan showing revised Stead Street site

AUDIT TRAIL

Lead Officer	Jon Abbott	
Report Author	Patrick McGreal	
Version	Final	
Dated	10 June 2009	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Finance Director	Yes	Yes
Director Regeneration [Neighbourhoods]	Yes	No
Head of Property	Yes	Yes
Director of Communities Law and Governance	Yes	Yes
Executive Member for Regeneration	Yes	No
Date final report sent to Constitutional Support Services	June 9 2009	