Living and Working Select Committee

7 February 2018

Title: Estate Renewal Programme Update

Report of Chief Operating Officer

<table>
<thead>
<tr>
<th>Open Report</th>
<th>For Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wards Affected: All</td>
<td>Key Decision: No</td>
</tr>
<tr>
<td>Report Author: Jennie Coombs, Head of Affordable Housing, Be First.</td>
<td>Contact Details: Tel: 020 227 5736 E-mail: <a href="mailto:jennie.coombs@befirst.london">jennie.coombs@befirst.london</a></td>
</tr>
<tr>
<td>Accountable Director: Pat Hayes, Managing Director, Be First</td>
<td></td>
</tr>
<tr>
<td>Accountable Strategic Director: Claire Symonds, Chief Operating Officer</td>
<td></td>
</tr>
</tbody>
</table>

Summary

The Council’s Estate Renewal programme has now been running since 2010 and has been successful in transforming the boroughs poorest quality housing into new high-quality developments bringing additional place making and environmental benefits. The delivery of all Estate Regeneration workstreams from the earliest consultation through the process of decanting, working with leaseholders, Masterplanning, development and Construction Management for all the schemes remaining in the programme is continuing in line with the current approvals but the responsibility for delivery of these work streams has now transferred to a dedicated Affordable Housing team in the new Be First Company.

This report updates the Living and Working Select Committee on the progress of the Boroughwide Estate Renewal Programme and the delivery of new homes on the Estate Renewal sites.

Recommendation(s)

The LWSC is asked to note the report.

1. Background and Approvals

1.1 Between 6 July 2010 and 27 January 2015 Cabinet approved the implementation of an ongoing programme of estate renewal across Gascoigne (East), Gascoigne West, Goresbrook Village, the Leys, Althorne way, Sebastian Court, Marks Gate and a number of smaller estate renewal projects in line with the Councils Asset Management Strategy and HRA Business Plan.

1.2 The Decanting and implementation of the schemes in this programme is continuing in line with the current approvals and the responsibility for delivery has now transferred
to a dedicated team in the new Be First Regeneration company. The schemes completed to date and the ones currently under construction will transform some of the boroughs poorest quality housing into new high-quality residential developments bringing many additional place-making and environmental benefits. Over 84% of the new homes in this programme have been or will be provided as Affordable Housing as a mix of affordable rent between 50 – 80% of market rent and Shared Ownership.

1.3 The Council approved in September 2017 the update to its Investment and Acquisition Strategy (IAS) that outlined the projects that would form the first core of Regeneration activity and future pipeline projects for the new Be First Regeneration Company.

1.4 All the currently approved Estate Renewal projects were included in the detailed appendices to the strategy along with two additional areas that were yet to receive formal approval but had been subject to feasibility works due to their locations adjacent to approved schemes, these areas are detailed below and will be the subject of a report to Cabinet in March this year to formalise their inclusion in the Estate Renewal programme and confirm a number of additional recommendations that need to be agreed by Cabinet to meet the Councils Statutory obligations. The approvals sought via this report will enable the service of any necessary demolition notices, Compulsory Purchase Orders, and the appropriation of sites to enable delivery within the Investment Strategy.

1.5 The additional sites are:

- The Ex Council office (known as 90 Stour Road), the multi storey Car Park and adjoined residential block at 2 -82 Stour Road
- Padnall and Reynolds Court at Marks Gate

1.6 High level feasibility work has been completed on these areas prior to full approval, once approved as part of the wider programme the schemes will be subject to the normal Estate Renewal consultation and wider resident engagement process to determine the final redevelopment options.

2. Existing Programme Progress – Decant and Leasehold acquisition

2.1 The attached schedule in Appendix 1 gives an update on all the current and approved projects decant and Leaseholder acquisition.

3. Resident consultation and engagement

3.1 We recognise that residents who live in the Estate Renewal programme areas are often very anxious and worried about how the programme will affect them, as the programme has progressed we have refined individual Resident engagement strategies for each project and have provided support, information and guidance to the residents whose homes are included and the wider community.

3.2 The core Decant and Leaseholder team work with the existing property services, legal, Elevate Finance and needs and allocations teams to ensure that the programme monitored at all times to prevent any adverse impacts.
3.3 The team develop Consultation and engagement strategies that will continue throughout the lifetime of the projects. The consultation will be divided into three stages, with different levels of engagement reflecting different stages of the development process as outlined below. A close working relationship with existing Tenants’ and Residents’ Groups will be developed and maintained throughout the decant and demolition process.

Stage 1 – Community Consultation on the initial programme and identified areas within the estates – informing both tenants and leaseholders of the Council’s proposals with a particular focus on key activities prior to the master planning process commencing.

Stage 2 – Community consultation and resident’s involvement in the Design and Development process - focused on residents directly involved in each phase of redevelopment. The appointed Design teams will work closely with residents and engage with key stakeholders active in the areas.

Stage 3 – Capacity Building and working towards greater community integration and cohesion. Alongside the Stages 1 and 2, project officers will scope the need to provide extra community development / capacity building resource in order to facilitate resident engagement in the estate renewal programme areas throughout the project’s lifespan. This would include a range of projects with different user groups (i.e. young people and older people) to be facilitated by external and internal resources as necessary.

4. **Leaseholder buybacks and Compulsory Purchase Orders**

4.1 The Council has an agreed range of options for leaseholders who are affected by redevelopment; these include options for anyone who finds they are not able to find suitable accommodation for their needs within the compensation offered by offering gap funding via equity share arrangements. These options have now been in place for some years and the team continue to deal with acquisitions on a case by case basis when we are alerted to any difficulty.

4.2 The Council always seeks to acquire by negotiation and offers a fair package of compensation based on the current Compulsory Purchase legislation, including a 10% homeloss premium on top of the agreed market value for leaseholders in occupation.

4.3 A large number of the Leaseholders we acquire for Estate Renewal purposes are investment purchasers, round 60% of the current programme. These owners can still claim compensation in the normal way but the statutory homeloss premium is reduced to 7.5% of the market value.

4.4 In order to expedite matters where we are not able to acquire by negotiation the necessary leasehold interests the original approvals always seek authority for the use of the Council’s Compulsory Purchase Order making powers pursuant to Section 17 of the Housing Act 1985 for the acquisition of any outstanding leasehold interests. This has been actioned for the final acquisitions on the Gascoigne Phase1 & 2 of the Gascoigne Programme and is now being actioned for the final acquisition at Sebastian Court, although it is hoped that service of this notice will be enough to bring the owner back into negotiations and acquire agreement.
5. Decommissioning Void Properties and Estate Security

5.1 With the exception of the properties identified for use as Temporary Accommodation whilst the decanting programme is ongoing, all other decant voids are being fully decommissioned. The Decant team and the Property services teams jointly monitor any security issues as the blocks and areas empty and have a range of options to tackle issues as they occur including extra security patrols and working closely with the Police Safer Neighbourhoods team to identify concerns. The use of a large number of the Decant voids as TA has greatly assisted with keeping areas occupied whilst the programme continues.

6. Tenants relocation and offer to return

6.1 The secure tenants in the decant programme can bid for a new home via the Choice Lettings system and are given information at the time of their Decant visit about opportunities to return to the new homes in their current area. So far in the programme residents have taken advantage of this opportunity at the Leys, Goresbrook Village and Gascoigne projects.

8. Temporary Accommodation in Decant voids

8.1 During 2017 around 250 properties which are part of the Estate Renewal Programme have been used as Temporary Accommodation. Whilst the number of properties we use may rise in some of the blocks that have a demolition date further in the future, this number is likely to remain static as new phases commence and others reach the point of demolition.

9. Redevelopment of Estate Renewal sites

9.1 The Cabinet has approved the delivery arrangements for the redevelopment of the Estate Renewal sites, three are currently onsite;

Gascoigne East Phase 1 – The first completions for Phase 1, 421 new homes, are due in mid-February 2018 and will continue till mid-2019. The new development area, Weavers Quarter, is all Affordable tenure, comprising Reside rented homes from 50 – 80% of market rent and Shared Ownership.

Becontree Heath (including the site of Althorne Way) – This scheme is being delivered in partnership with Countryside, the scheme of 170 homes across 5 sites (one of which is a former Estate Renewal site) in area delivers 51% affordable homes for Reside for both affordable rent and Shared Ownership.

The Leys - The first phase of this scheme was fully completed last year and the second phase of 69 homes will complete in September 2018. The scheme delivers 35 Affordable rent homes and 34 for Shared Ownership.

9.2 Other further schemes are in the planning and scheme development stage:

Gascoigne Phase 2 - A Design competition has been launched to appoint a design team to complete a review of the current Outline consent and draw up a reserved matters application for delivery of the Phase 2 residential scheme and the later
Phase 3 proposals. The detailed design application for Phase 2 will be made later this year.

**Gascoigne West** - Outline planning consent has been submitted for 850 units (all phases) with approval expected in March 18. The Be First team will proceed to appointing a full design team for a Reserved Matters application for Phase 1 A & B in late summer with a projected start on site date in early 2019. The further programme for Phase 2 is targeted to start approx. 18 months after Phase 1.

**Sebastian Court** – Cabinet approved the detail for a scheme of 90 – 100 new homes in a mix of Affordable Rent and Shared Ownership. Tender to appoint contractor in line with approved delivery proposals due to be completed in February, the demolition tender documents have been drafted and ready to be issued pending the final decant and leasehold buyback. Final Leasehold acquisition remains a risk to programme and the CPO procedure has been instigated.

**Padnall Road** – Pending the inclusion of further Marks Gate sites via Cabinet Approval in March a full Masterplanning and Development team will be appointed to work with the residents and wider community to develop proposals for all the Marks Gate sites.

**Public Background Papers Used in the Preparation of the Report**: None

**List of appendices:**

- Appendix 1: Detail for tenant and leasehold buy back phasing programme