

## CABINET

10 MAY 2011

### REPORT OF THE CABINET MEMBERS FOR REGENERATION AND HOUSING

<b>Title:</b> King William Street Quarter and Eastern End Thames View Disposal and Delivery Options	<b>For Decision</b>
<p><b>Summary:</b></p> <p>This report sets out the recommended options for the disposal and delivery of the remainder of the King William Street Quarter (former Lintons site) and for the Eastern End of Thames View.</p> <p>The detailed design briefs for both sites provide a range of information including recommended mix and density. By working to these design briefs, any new development will be as close to the agreed masterplans as feasibly possible, while also conforming to Council policy.</p> <p>The tenure mix recommended would maximise the number of social rent and other non market rented property for local people.</p> <p>The recommendation to transfer the sites to the BSF LEP has many advantages for the Council, as the BSF LEP has been set up, and therefore there are benefits in saving time and money procuring an alternative partner. The BSF LEP structure will also allow the Council to manage the affordable housing units within the sites and take ownership at the end of the lease period.</p> <p>Should this recommendation not be accepted the other option, to go through the HCA Development Partner Panel, will be a cost effective and efficient process for the Council, and will allow us to choose our preferred development partner. However, it is not certain what the tenure mix for this option will be and it may result in less sub market rent housing for the Boroughs residents than could be provided through the BSF LEP proposal.</p> <p><b>Wards Affected:</b> Abbey and Thames</p>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is asked to:</p> <ul style="list-style-type: none"><li>(i) Approve the design briefs for KWSQ and EETV as appended to this report.</li><li>(ii) Agree that a minimum of 20% “social” rent (50% of Local Housing Allowance) units are provided together with a mixture of other sub market tenures on both sites.</li><li>(iii) Recommend to the Assembly:<ul style="list-style-type: none"><li>a). that Delivery Option 6, as detailed in the report, be pursued as the preferred option, which would involve the lease of the sites to the Building Schools for the Future Local Education Partnership (BSF LEP) to provide a range of sub market rented properties to be managed by the Council and to authorise the Corporate</li></ul></li></ul>	

Director of Finance and Resources, in consultation with the Solicitor to the Council, to seek to agree satisfactory terms with the BSF LEP within three months of the Assembly decision for the implementation of the preferred option;

- b). That in the event that officers are unable to agree satisfactory terms within three months of the date of the Assembly decision with the BSF LEP for the preferred option, that the Corporate Director of Finance and Resources be authorised, in consultation with the Solicitor to the Council, to pursue Delivery Option 5 which would involve the marketing of the sites via the Homes and Communities Agency Development Partner Panel and seeking a proportion of new council homes and also consider leasing a proportion of properties at sub-market rents.

### **Reason(s)**

To assist the Council in achieving the Community Priority “Prosperous” through increasing the supply and range of family sized social rented housing by utilising existing Council land and development sites.

### **Comments of the Chief Financial Officer**

This report asks Members to approve five recommendations, (after consideration of the alternative options presented), in respect of the re-development of the ‘King William Street Quarter’ and ‘Eastern End of Thames View’ sites.

Cabinet is firstly asked to agree the detailed design briefs for each site appended to this report, which contain various detailed information on the sites, including the suggested mix and tenure. These are consistent with the approved Masterplans, which aim to maximise the use of land. Cabinet is also asked to agree in principle to a minimum of 20% social rent units (paying 50% of the local housing allowance) on both sites and a mixture of other sub-market rents (although achieving this will also depend on the selected delivery option and agreement of satisfactory terms with the delivery partner).

The Council’s preferred delivery option is the BSF LEP model (option 6). Under this option the Council would lease both sites on a nominal basis in return for the provision of social rent and sub-market tenures. The cost to the Council of this model is the loss of potential Section 106 funding and the opportunity cost of selling the sites on the open market (approx £3 million in total). However this will be made up for by the New Homes Bonus from the Government, which is anticipated to be £4.7 million over a six year period. The model of only receiving sub-market rents is also favourable for the contractor as they are essentially receiving the land for free, will not face S106 contributions, and have willing occupants.

However this delivery option is still dependent on the negotiation of satisfactory terms with the BSF LEP partnership (which is yet to take place), particularly on the issue of guaranteeing levels of rent, which could expose the Council to a financial risk. These negotiations are time limited to three months, after which it is recommended we default to the second preferred option, the HCA model (option 5), which would potentially reduce the Councils exposure to risks and rewards.

The Council’s new Financial Rules, adopted by the Assembly on 23 February 2011 (Minute 29 refers), stipulate that all land sales must now be approved by the Assembly.

## Comments of the Solicitor to the Council

The proposals will require disposal of property owned by the Council. The Local Government Act 1972 Section 123 obliges local authorities to dispose of property at the best consideration unless there is ministerial consent. There is a General Disposal Consent which permits disposal at less than best consideration if specified conditions are met.

If the property was disposed to the Building Schools for Future Local Educational Partnership for equity (a form of company) there would need to be a valuation to ensure that the security that was issued was a fair value. Safeguards would need to be sought ensuring that the Council was able to protect its interests and this may be by form of charges, covenants, options or a form of golden share or a combination.

The carrying out of works would need to be compliant with European Tendering Regime and checks would need to be carried out that procurement requirements were compliant.

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### 1. Background

- 1.1 There is very little grant funding from Homes & Communities Agency (HCA) for the next four years to help build affordable housing. Therefore the Council needs to consider ways to ensure a supply of new social rented and other forms of affordable homes can be provided for local people over this period.
- 1.2 The Government /HCA intend that funding for new affordable housing will come via either much higher borrowing to replace grant and/or free land from public authorities and recycled grant. This will be financed from higher "affordable" rents which are to be set at up to 80% of local market rents, with an expectation that housing associations and other providers will convert a proportion of their re-let (void) properties from social rent to higher "affordable" rents.
- 1.3 It is suggested that in relation to the Council owned sites which will come forward for development in the next 5 years there is a clear set of objectives for Members and officers to assess delivery methods :-

#### **Proposed Objectives for new housing supply:**

- maximise as a priority social rent homes and affordable homes
- ensure speed and certainty of delivery
- maintain design, sustainability (code level 4) quality and space standards
- ensure local accountability and developing capacity within the community

- aim to create long term returns to the Council and community

1.4 This report sets out ways of dealing with two cleared sites which have been subject to detailed masterplanning and can therefore be brought forward quickly.

## 2. King William Street Quarter

2.1 The King William Street Quarter masterplan was finalised in June 2009. It was included as part of a report on the Local Housing Company on 7 May 2008 and it is featured in the agreed Barking Town Centre Area Action Plan (ref BTCSSA4). The masterplan sought to redevelop the old Lintons Estate, which was demolished in 2008.

2.2 The original development site was 2.57ha. This includes 0.37ha for the Barking Business Centre. The site was anticipated to, reflecting market conditions at that time, deliver 460 residential units, 97 of these being above the Barking Business Centre and the rest as a mix of 1 and 2 bed flats and 3 and 4 bed houses with 40% social rent and 20% intermediate rent.

2.3 31 houses in the Mews along the eastern boundary have been delivered on a piece of the site that is 0.56ha. These are a mix of 3 (17) and 4 (14) bed family homes and will be 100% social rent units, Council owned and managed.

2.4 The Barking Business Centre (0.37ha) occupies a portion of the southern part of the site. This is under construction. The plans have been altered so that there is no residential included with this development. The Barking Business Centre will be operational by November 2011.

2.5 The Gurdwara (in North St adjacent to the site) Executive Committee has expressed an interest in purchasing a parcel of land on the north western part of the site, adjacent to their existing premises (0.12ha in size). A further report on this matter will be presented to Cabinet in due course.

2.6 Once the Barking Business Centre, the 31 Council houses, and the land requested by the Gurdwara are removed from the site, the remaining site size is 1.52ha. The density originally outlined in the masterplan is 183 units/ha. This would result in 278 residential units. Current modelling suggests a figure closer to 250 units.

2.7 For ease of reference the following table clarifies which parts of the site have been removed from the masterplan and the number of units not included in the current unit mix.

**Table 1:**

<b>Location</b>	<b>Site size</b>	<b>Tenure</b>	<b>Number of units</b>
Barking Business Centre	0.37ha	N/a	0
Mews Development	0.56ha	3 / 4 bed homes	31 (completed)
Land possibly to be sold to Gurdwara	0.12ha	2 and 3 bed flats	50 (approximately)
Remaining land	1.52ha	1 and 2 bed flats, 3bed houses	250 (approximately)
<b>Total</b>	<b>2.57ha</b>		<b>281 (331)</b>

### **3. Eastern End Thames View:**

- 3.1 A masterplan for the Thames View regeneration was agreed by Cabinet on 16 June 2009. The masterplan consists of two parts, the first is 6 garage sites that were demolished and 31 Council houses are currently being built on these sites. The second part was the Eastern End of Thames View, where four tower blocks and houses were demolished (280 units). The masterplan provided an outline design for four new blocks of maisonettes and apartments along the eastern end, a slightly new road layout, and also housing around a courtyard on the corner of Crouch Avenue/Wivenhoe Road. It should be noted that the Eastern End does not include the two blocks of housing on the park edge, along the southern side of Thames View.
- 3.2 The Eastern End is 4.25ha and runs alongside Renwick Road, with an additional block on Crouch Avenue / Wivenhoe Road. A number of density models were investigated, and the most financially viable and deliverable at the time was the medium density scheme, which provides 289 units at the Eastern End. Viability is of course a function of market conditions and achievement of the medium density model may be challenging in today's market conditions and the number of units may need to be reduced to produce a financially viable scheme.
- 3.3 The Homes and Communities Agency contributed £1.5m towards clearance of this site in 2008. As a result they requested that if as part of any redevelopment there was an element of shared ownership that that the retained equity be returned to them. In recent informal discussions with the HCA, they have suggested that they would waive this condition provided the proposal set out below went forward.
- 3.4 The site is vacant and is boarded up, which is creating ongoing problems with travellers and fly-tipping.
- 3.5 The Eastern End of Thames View should be taken forward for development, as the site is a visual blight on the community and with Barking Riverside coming forward, will become an increasingly desirable development site.

### **4. Proposal for disposal**

#### **4.1 Detailed Design**

- 4.1.1 A detailed design brief for each site is attached as an appendix to this report. This outlines the requirements for any development including mix, density, layout, open space and road design.

#### **4.2 Tenure**

- 4.2.1 The original tenure mix for the KWSQ suggested that 40% of the units should be social rent. At that time there was a National Affordable Housing Programme Funding available. That has now been severely reduced and is only being offered on the basis of a new model, the 'affordable rent model' based on average rents of 80% of the local market rent. This is significantly higher than a social rent. It is suggested that we aim for a minimum of 20% social (50% of local housing allowance) across the remaining development site of KWSQ. We should also aim to maximise the number of other sub market rent homes.

4.2.2 In relation to the EETV site the masterplan suggested that 30% of the new properties should be social rent. Again this was predicated on National Affordable Housing Programme Funding being available, which it no longer is. It is therefore suggested that we aim for a minimum of 20% social rent across the development. We should also aim to maximise the number of other sub market rented homes

### 4.3 Delivery Options

4.3.1 There are a number of delivery options as set out in the table below:

Option	Proposal	Advantages	Disadvantages
DO1:	Sell the sites on the open market with a guarantee of 20% social housing to be delivered, otherwise an unencumbered disposal	<ul style="list-style-type: none"> <li>- Council may get a receipt immediately that could contribute to the Estate Renewal programme or further Council housing.</li> </ul>	<ul style="list-style-type: none"> <li>- Housing market and land values currently low, so receipt would not be as much as when masterplans were created. Also receipt may be minimal with requirement for 20% socially rented property.</li> <li>- No control over the development of the land other than through the planning process, developer may not follow masterplan.</li> <li>- Less control over amount of social housing that is delivered. Although, minimum level set at time of sale.</li> <li>- Sites may sit empty and undeveloped for unknown amount of time or may develop very slowly because of the condition of the market</li> <li>- With regards to the KWSQ, there may be loss of a chance for Council to be involved in an exemplar new residential district at the heart of Barking Town Centre</li> <li>- Registered Providers (RP) would take the affordable housing; they lack local accountability and there are variable standards of estate and tenancy management from RPs in the borough</li> <li>- No long term return to the Council</li> </ul>
DO2:	Sell sites on open market but developer 'gives' a small number of social houses to the Council in return for no land receipt	<ul style="list-style-type: none"> <li>- Completed social homes transferred to the Council at nil cost to LBBB – some level of accountability</li> <li>- Homes transferred to LBBB would strengthen the HRA balance sheet and cash flow position as no borrowing would be involved</li> <li>- Some long term return</li> </ul>	<ul style="list-style-type: none"> <li>- No capital receipt</li> <li>- No guarantee of 20% of units being social rent</li> <li>- Less control over design</li> <li>- Less control over development timescales</li> <li>- With regards to the KWSQ, there may be loss of a chance for Council to be involved in an exemplar new residential district at the heart of Barking Town Centre</li> </ul>
DO3:	Sell sites on a deferred purchase basis in return for a number of "free" homes for social rent	<ul style="list-style-type: none"> <li>- More control over development and standard of delivery</li> <li>- Number of social rent units likely to be higher than previous option</li> <li>- Completed social homes</li> </ul>	<ul style="list-style-type: none"> <li>- No capital receipt</li> <li>- Less control over development timescales</li> <li>- With regards to the KWSQ, there may be loss of a chance for Council to be involved in an exemplar new residential district at the heart of</li> </ul>

		<p>transferred to the Council at nil cost to LBBB- some level of accountability</p> <ul style="list-style-type: none"> <li>- Homes transferred to LBBB would strengthen the HRA balance sheet and cash flow position as no borrowing would be involved</li> <li>- Some long term return</li> </ul>	Barking Town Centre
DO4:	<p>Transfer sites to a housing association with housing association owning the affordable homes on basis there is a guaranteed number of social rented homes, guaranteed in perpetuity with the Council given the option to manage</p>	<ul style="list-style-type: none"> <li>- Council are given right to manage the properties - local accountability</li> <li>- Social rented properties are held in perpetuity</li> <li>- Some local control over the design and deliverability of these units</li> </ul>	<ul style="list-style-type: none"> <li>- No long term return on the asset</li> <li>- Less control over design than if the Council was a partner in the development</li> <li>- Unlikely that a housing association would agree to these terms</li> </ul>
DO5:	<p>Sell sites on a deferred purchase basis through a Developer Framework on the basis of a proportion of new homes being delivered given "free" to the Council. Also the Council offered the ability to long lease other sub market rented properties at suitable terms</p>	<ul style="list-style-type: none"> <li>- More control over development and standard of delivery</li> <li>- More control over number of affordable housing units provided</li> <li>- Completed social homes transferred to the Council at nil cost to LBBB- some level of accountability</li> <li>- Homes transferred to LBBB would strengthen the HRA balance sheet and cash flow position as no borrowing would be involved- some long term return</li> <li>- Ability to lease further sub – market rented homes will increase ability to rehouse local people and give a limited return through managing. Also over time provision might become available to acquire stock through HRA</li> </ul>	<ul style="list-style-type: none"> <li>- No immediate receipt</li> <li>- With regards to the KWSQ, there may be loss of a chance for Council to be involved in an exemplar new residential district at the heart of Barking Town Centre</li> <li>- Relies on long term private equity or bank funding being available to the developer to fund other sub market rented properties. Likely to also need an element of private sales</li> <li>- Risk around guaranteeing the rental stream on the sub market rent properties</li> </ul>
DO6:	<p>Long lease sites to BSF LEP development vehicle (this is a variation on the Barking and Dagenham Local Housing Company model). Potentially all tenures would be sub market rent.</p>	<ul style="list-style-type: none"> <li>- Faster procurement as LEP is already procured and in existence</li> <li>- Return properties at nominal cost to the HRA at end of lease and finance period (60 years)</li> <li>- Greater control over design and development parameters subject to scheme commercial viability</li> <li>- Lower upfront costs as LEP is already fully funded and</li> </ul>	<ul style="list-style-type: none"> <li>- No receipt</li> <li>- No testing of VFM through tender process; would need to rely on LEP new business protocol and management of existing arrangements</li> <li>- Will need new SPV to be established which could result in some time delays and additional costs and governance arrangements</li> <li>- Would need LEP board approval</li> <li>- Specialist expertise may be needed to complement the LEP's</li> </ul>

		<p>able to take on new project feasibility work subject to LEP board approval</p> <ul style="list-style-type: none"> <li>- Potential for share in development returns through LEP structure through land being invested into a LEP SPV</li> <li>- Council returns could be recycled</li> <li>- The LEP SPV could hold and be responsible for managing the affordable tenures.</li> <li>- Could register with the HCA to obtain grant in future</li> <li>- The residents as well as Members could be represented on the Management Board.</li> <li>- Set up costs met by the LEP</li> <li>- Access to borrowing and terms/borrowing costs could be reduced because of the presence of Laing O'Rourke</li> <li>- Would contract the Council to carry out tenancy management.</li> <li>- Local accountability</li> <li>- Wholly rented scheme will result in quick delivery</li> </ul>	<p>competencies and capabilities</p> <ul style="list-style-type: none"> <li>- Rental guarantee on non social rent sub market tenures will pose a significant risk to the Council which cannot be offset by a limited amount of private sale</li> <li>- No additional funding to the HRA</li> <li>- Council share in the LEP only 10% so return limited</li> <li>- All rent guarantee risk appears to be with the Council</li> </ul>
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4.3.2 The last two options would appear to most closely align with the objectives set out in section 1.4. Both of these maximise the number of social and other non market rented properties, both give some direct return to the Council, both would result in a speedy delivery and both result in local accountability. At the moment the BSF LEP model offers the ability to utilise private equity funding to bring about a large sub market rented scheme. It is not known at this stage whether such an approach would be possible via the Homes and Communities Agency Development Partner Panel. It is therefore suggested that in the first instance and in order to try and get some new housing development to happen quickly, the Council agree to negotiate with the BSF LEP for a limited period of time (3 months from the date of this Cabinet report) to see whether a proposal which meets the housing objectives, is value for money and minimises the direct risk to the Council can be achieved. Once satisfactory terms have been agreed, these will be presented to Cabinet for information and an update report will be produced for information every three months on the progress of the project.

4.3.3 Should the above not be possible within the three month deadline officers be authorised to go through the HCA Development Partner Panel to seek a similar arrangement as set out in DO6 above.

#### 4.4 Affordable Housing Provider

4.4.1 A separate report will come forward to Cabinet in due course looking at ways of establishing an independent local affordable housing provider such as a Community Gateway Association (CGA), which may be capable of being used in relation to

some of the future estate renewal sites. It is considered that this would not be appropriate for the King William Street Quarter and eastern end of Thames View because it will take up to 9 months to obtain the necessary Registered Partner status for the CGA from the Tenant Services Authority. It should also be noted that the associated costs to the Council to establish a CGA will be approximately £400,000.

#### **4.5 Section 106/New Homes Bonus**

- 4.5.1 As these two sites are owned by the Council and the Council is stipulating for both that a minimum of 20% of the units are “social” (50% of local housing allowance) and that the other properties on the sites are sub market tenure, it is suggested that no S106 contribution is sought (although the TfL via the GLA may request a contribution towards transport improvements). If a S106 contribution was sought it would result in a contribution of £3m (£6000 contribution per home, the currently used tariff). This would result in the number of social rented properties being reduced (c20 units). This development will result in the need for new school places amongst other things and if a S106 had been sought, the contribution received would likely to have been spent on meeting the demand for school places. Children’s Services have estimated potential school numbers as:

	<b>Primary Age</b>	<b>Secondary Age</b>	<b>Sixth Form</b>	<b>Total</b>
<b>EETV</b>	81	58	17	156
<b>KWSQ</b>	78	56	21	155

Presently there is no capacity in the town centre to accommodate these potential students. If there is no extra capacity added in time for the occupation of the KWSQ properties in particular, there will not be enough school places available locally for these residents. Based on the current schools in the town centre catchment area, the opportunities to expand are very limited and would be costly solutions. The preferred option would be to identify a new site for a school development.

It is suggested that the New Homes Bonus generated from these properties could be used to contribute for this purpose. This would be approximately £4,700,000 (average council tax is £1239 and New Homes Bonus equates to 6 years Council tax per new home plus a bonus of £2100 per affordable unit).

#### **4.6 Future Regeneration on Estate Renewal Sites**

- 4.6.1 Officers will report at a later date to Cabinet on delivery options for the Estate Renewal sites; Eastern side of Gascoigne Estate, Goresbrook Village and The Leys.

### **5. Legal Issues**

- 5.1 The proposals will require disposal of property owned by the Council. The Local Government Act 1972 Section 123 obliges local authorities to dispose of property at the best consideration unless there is ministerial consent. There is a General Disposal Consent which permits disposal at less than best consideration if specified conditions are met.

If the property was disposed to the Building Schools for Future Local Educational Partnership for equity (a form of company) there would need to be a valuation to ensure that the security that was issued was a fair value. Safeguards would need to be sought ensuring that the Council was able to protect its interests and this may be by form of charges, covenants, options or a form of golden share or a combination.

The carrying out works would need to be compliant with European Tendering Regime and checks would need to be carried out that procurement requirements were compliant.

## 6. Other Implications

### 6.1 Risk Management

Risk	Probability (1 = low, 4 = high)	Impact (1 = low, 4 = high)	Impact
<b>Tenure and Mix</b>			
Unable to get minimum 20% "social" units	2	3	For any of the delivery options, it is imperative that the Council can guarantee a minimum 20% "social" units, however, with housing grants harder to access in the current market, this may prove to be difficult.
<b>Sell on open market:</b>			
Delays in selling	4	2	Not selling quickly will delay the completion of new homes for both social rent and other sub-market tenures impacting on meeting local people's housing needs
Loss on sale as value of land is less than previous years	4	2	Less money upon receipt
Sites sit empty for long period of time post sale	4	2	Ongoing security required. Unattractive to residents , investors and visitors
Any new development does not comply with masterplan	2	3	May result in higher density of private sale, or lower numbers of affordable housing. Will have to be assessed by Development Management so can be mitigated.
<b>Developer 'gives' some affordable housing to Council</b>			
Less affordable housing than is acceptable to Council	3	2	Will still result in a sale and development of the land. Money from sale to go into Estate Renewal programme
Design deviates from masterplan	3	3	Likely, as density will change on the site. Can be mitigated through application with Development Management
<b>Sell site on deferred purchase basis</b>			
Long time between sale and receipt	4	1	Contractual arrangement will assure receipt
Registered Provider (RP) takes over the affordable housing, with variable states of management and maintenance	2	2	Through open communication channels, the Council could ensure that any RP that takes on affordable housing can manage the affordable housing units to a sufficient standard
<b>Lease sites to BSF LEP</b>			
Delay and cost with setting up BSF LEP SPV	3	2	This risk has been highlighted and is inevitable that this would take time. However, would coincide with the design and delivery of these

			sites, which would be minimum 12 months. This should provide adequate time for this SPV to be established.
Rental guarantee model- LEP requests Council to give a guarantee on all the sub-market properties	4	4	Negotiations taking place with the LEP partner to reduce the Council's exposure. Secondly any ground rents accumulated from development on site can be used to supplement any shortfall in the rental income. Thirdly the Council's Housing Management service in pricing for managing the units can allow for a contingency which again could be ring fenced towards supplementing any shortfall in income. The Council has extensive experience of rental income collection at social rent levels and of likely void levels.
HCA do not agree to the waiving of the repayment/equity arrangement as currently stated in the grant agreement dated 31/03/2009	2	4	The grant agreement currently states that the value of the original grant will be converted into an equity investment in shared ownership units. The current proposal for an affordable rent model development will not provide any shared ownership units. So this requirement would render the proposal undeliverable. The delivery of shared ownership units is unviable across the country and therefore it is unlikely that the HCA would insist on the conditions of the grant agreement being adhered to.

This will not adversely impact Corporate Risk number 14. This project significantly assists in reducing the risk level, by bringing forward the potential development and agreeing the way forward for delivery on these 2 sites producing 500 affordable homes

## 6.2 Contractual Issues

The BSF LEP has already been procured and within the BSF LEP there is provision for the LEP to, amongst other things, build housing. The HCA DPP has been set up, the Council has signed up and there is no cost to the Council, nor is there the requirement to go through an OJEU process, saving money and time. The HCA DPP provides a one-stop shop for development and construction works and the rates are benchmarked, assuring value for money.

## 6.3 Staffing Issues

A cross-departmental project team will need to be established, involving;

- Housing allocations/lettings
- Housing management
- Community and neighbourhood services
- Legal services
- Property services
- Finance
- Regeneration and economic development.
- Corporate Programme and Strategic Asset Management

This will enable an integrated approach to the delivery of the developments ensuring that the needs of the residents and wider stakeholders are fully met and all

legal finance and property issues are considered through the lifespan of the development.

#### 6.4 Customer Impact

Consultation will be undertaken as part of the planning process for both of these sites. Consultation was widely undertaken on the Lintons Estate before its demolition and these results could be used to shape future consultation for the new KWSQ. Consultation events were also held at Thames View for the Thames View masterplan process with many local residents attending.

There has not been an Equalities Impact Assessment carried out for KWSQ. At the point of an architectural design being presented to the Cabinet, an Equalities Impact Assessment report could be carried out at that time. One group that will have specific regard paid to them are those with socio-economic difficulties. To ensure that the properties are tenanted equitably, suitable policies will need to be in place before the development commences. This will make sure that tenants who pay differing amounts of rent will be placed fairly based on income related needs. The BME group will also have differing needs for housing and these needs must be included in the policies for allocating housing.

In April 2009 an Equalities Impact Assessment was undertaken for Thames View. The main aim of this was to understand the impact of regeneration and renewal in the Thames View estate. New housing will be at the core of providing regeneration stimulus but the masterplan also identified the need for the repair and enhancement of the estate with a view to returning a lost sense of community in this once thriving estate. Equally, the masterplan consultation also raised future aspirations by the local community for more modern community facilities, youth activities, and place of worship for the Muslim community, possible leisure facilities and better shops, cafes etc for Farr Avenue.

Community facilities have been identified as being important for both sites. As both sites have been vacant for some time, new residents moving in will put extra pressure on existing resources and both sites lack access to community facilities. In the original masterplan for both sites, floorspace has been identified for community use. This report supports the inclusion of community space on both sites and that the community facilities are accessible for those groups identified as requiring the facilities as part of the EIA process.

#### 6.5 Safeguarding Children

Design undertaken as part of any development will take into consideration needs of local communities with a focus on creation of accessible spaces that allow for freedom of movement and will benefit local community at large including children. In particular, the design and development process will explore opportunities to introduce new or improve existing play facilities in the two areas.

#### 6.6 Health Issues

The development of these two sites will have a positive impact on residents by providing a high quality residential accommodation at both social and sub-market rents. In particular, it would have a positive impact on ill health attributed to poor

housing conditions and overcrowding due to a lack of housing in the Borough. The redevelopment of the sites will provide a safer and more secure environment where opportunities for crime are reduced and a host of public realm improvements make the area safer and more legible. General health and well being will be improved as a result of improved visual appearance of the site thereby increasing civic pride. Overall, the proposal would be expected to result in a benefit upon local well being and an improvement of quality of life.

## 6.7 Crime and Disorder Issues

Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals.

Levels of crime and disorder vary between the sites and will be taken into consideration. This can be partly addressed in the design of the built environment and a change in the fabric will be a catalyst to a better, more balanced community. Improved facilities for young people will also provide new opportunities for education, recreation and employment directing them away from crime. Specific types of violence such as domestic violence can be helped by social aspects of the development such as better access to services based in local community centres, as well as better quality housing.

## 6.8 Property / Asset Issues

Property Services advise that there has to be a basic caveat here that the market is currently untested and under the government's new "affordable rent model" neither scheme will be able to afford a significant amount of affordable housing. Our consultants have indicated that 20% would be an upper limit of affordable housing to be deliverable. It is accepted that EETV values are generally lower than KWSQ and that delivery of the affordable housing option is likely to be even more challenging.

However, both the LEP and HCA models offer the chance that by using private equity funding and also in the HCA model cross funding some of the affordable housing with private units it may be possible to achieve the 20% target figure. For this reason both should be explored further.

## 7. Options appraisal

- 7.1 The options have all been outlined and discussed in section of this report.
- 7.2 The recommendations for each option are provided in sections 4.1 – 4.6

## 8. Background Papers Used in the Preparation of the Report:

The Proposed Disposal of King William Street Quarter (formerly known as the Lintons): Living and Working Board, November 2010  
Barking and Dagenham Local Housing Company: Executive Report, 7 May 2008.  
King William Street Quarter Masterplan  
Thames View Estate Masterplan

**9. List of appendices:**

Appendix 1: King William Street Quarter Detailed Design Brief

Appendix 2: Eastern End of Thames View Detailed Design Brief