

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
20TH JUNE 2018EXECUTIVE – 2ND JULY 2018

Report by the Director of Housing and Regeneration (on behalf of all the officers concerned) providing an update on the regeneration schemes at Winstanley/York Road Estate, SW11 (Latchmere) and Alton Estate, SW15 (Roehampton and Putney Heath).

SUMMARY

This report updates on progress on the regeneration schemes at Winstanley and York Road Estate, SW11 (Latchmere) and Alton Estate, SW15 (Roehampton and Putney Heath) and recommends a number of actions and decisions required in order to progress the schemes.

The Director of Resources comments that all costs incurred in relation to the consultation on the demolition notices, land referencing exercise and wider negotiation and Compulsory Purchase Order process will be met from within existing approved Housing Revenue Account capital budgets and considered as part of the overall scheme costs. The costs incurred in relation to the planning application for Fontley Way, estimated to be in the region of £280,000, will be met from existing budgets. Should the scheme be granted the necessary planning approvals further HRA capital budget variations will be recommended for approval at the appropriate time for the development of the site.

GLOSSARY

CPO	-	Compulsory Purchase Order
FDN	-	Final Demolition Notice
HRA	-	Housing Revenue Account
IND	-	Initial Demolition Notice

RECOMMENDATIONS

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations to the Executive in paragraph 3 below.
2. If they approve, any views, comments or additional recommendations on this report these will be submitted to the Executive or the appropriate regulatory or other committee for consideration.
3. The Executive is recommended to: -

Regeneration Update

- (a) agree to undertaking consultation with secure tenants affected by the regeneration proposals at the appropriate time for Winstanley/York Road and Alton estates in accordance with Section 105 of the 1985 Housing Act and as detailed in paragraphs 5 to 9;
- (b) delegate agreement of the final details of the consultation documentation to the Director of Housing and Regeneration;
- (c) agree to serve an Initial Demolition Notice on all properties identified for demolition as part of the Winstanley/York Road and Alton estate regeneration programmes as explained in paragraphs 10 to 13;
- (d) agree to appoint land referencing agents and undertake a land referencing exercise in both Winstanley York Road and Alton Estate as explained in paragraphs 14 to 16. Authority includes undertaking all relevant land referencing steps, including specifically service of requisition notices pursuant to section 16 Local Government (Miscellaneous Provisions) Act 1976 and use of the enforcement powers in that section where officers consider it necessary and appropriate;
- (e) agree that the site on Fontley Way (shown in Appendix 2), be allocated as a decant site to allow for early relocation of existing secure tenants and resident homeowners affected by the Alton Estate programme and agree that Redrow Homes be appointed as contractor for this project subject to them satisfying the Council their proposal offers value for money in line with the requirements set out in the Regeneration Agreement;
- (f) agree that expenditure for developing the Fontley Way scheme to planning as part of the wider regeneration programme to be secured from existing budget approved in the Housing Revenue Account (HRA) Capital Programme; and
- (g) delegate agreement of the final details of the Deed of Variation to the Alton Regeneration Agreement to the Director of Housing and Regeneration as detailed in Paper No. 18-161A.

BACKGROUND

4. The Regeneration Agreement confirming the appointment of Redrow as the developer partner for the Alton Estate Regeneration Project was completed in June 2017. The Council entered into a Joint Venture with Taylor Wimpey for the regeneration of the Winstanley and York Road Estates in September 2017.

CONSULTATION WITH SECURE TENANTS

5. As reported in previous papers on the regeneration schemes, there has been extensive consultation with residents on both schemes over the past five years, considering options, developing masterplans and developing detailed plans including phasing plans¹. These consultations are continuing as the major hybrid planning

¹ link to previous committee papers and consultation material:
http://www.wandsworth.gov.uk/downloads/200539/winstanley_and_york_road
http://www.wandsworth.gov.uk/downloads/200540/alton_area_regeneration

applications are prepared for each regeneration area. The target is to submit a hybrid planning application for each of the two schemes over the summer of 2018.

6. Whilst these plans have been progressing, the Council has also been consulting with secure tenants in order to produce a Council Tenant Rehousing Information Booklet. This was issued by the Council to all affected secure Council tenants at Winstanley and York Road in October 2014 and to all affected secure Council tenants at Alton in June 2016. The Winstanley and York Road offer was updated and re-issued as part of a December 2015 update booklet on the scheme as a whole².
7. The development of these plans mean that the potential impacts of the proposed schemes can now be set out in detail for those directly affected secure tenants living on the estates. Although the Council has committed from the start to retaining affected tenants' security and type of tenure and to remaining as their landlord, their properties will be demolished and they will be required to move to a new build Council home or an alternative Council home if the scheme proceeds.
8. It is considered that these proposals and the use of Ground 10A, Schedule 2 of the Housing Act 1985, do constitute a change to the housing management of the affected secure tenants and as such requires consultation with secure tenants under the terms of Section 105 of the 1985 Housing Act. The consultation will be with secure tenants whose homes are proposed to be demolished under the schemes. The consultation will inform tenants of the proposed relocation plans and proposals for timing and phasing of rehousing, on the design and type of the proposed new homes, the local allocations policies, the tenure of homes and proposed management and charging regimes and on the legal basis on which the Council intends to secure vacant possession. This is a statutory consultation and in order to undertake this consultation it is important that the Council is able to set out the implications of the changes in full. It is considered that this point will soon been reached on both schemes. Consequently, consent is now sought to undertake these consultations on both estates in line with the programme.
9. As part of the process of relocating tenants the intention is to use Ground 10A, Schedule 2 of the Housing Act 1985 to secure possession. Further details of this ground 10A application are given in the Legal Comments section below

INITIAL DEMOLITION NOTICE AND RIGHT TO BUY

10. When pursuing a regeneration scheme the Council can, when considered appropriate, suspend the Right to Buy option for secure tenants by serving notices under section 138A and 138B of the Housing Act 1985. Suspending the Right to Buy enables proper planning of the rehousing options as the time for demolition draws nearer. When using this power, the Council needs to give due consideration to the timing of the scheme and should have a reasonable degree of confidence that the scheme will proceed.
11. This is a time limited power which is enacted by the service of an Initial Demolition Notice (IDN). Through the use of the Notice the Right to Buy will be suspended for

² Link to offer to Council tenants:

http://www.wandsworth.gov.uk/downloads/download/1576/residents_offer

http://www.wandsworth.gov.uk/downloads/file/10035/council_tenants_rehousing_information_booklet

seven years and this period can then be suspended for a further two years if sufficient progress is considered to have been made. Final Demolition Notices are issued when the date for demolition is known. The Final Demolition Notice can only be served once there is a programme and a scheme with planning permission in place that will result in the property being demolished within the next two years. Tenants can still make a Right to Buy application after the IDN is in place. However, the sale process will be suspended until either a Final Demolition Notice is served or the IDN has lapsed.

12. For Winstanley and York Road and Alton is it proposed that IDN are served on all tenants in the phases that are estimated as due for demolition within the next five years to withdraw the Right to Buy for affected residents. This will take place once the planning application has been submitted. A full list of properties affected is included in Appendix 1.
13. The Council's commitments explained to tenants that the Right to Buy would need to be suspended as the scheme proceeded. Once tenants move to their new property then the Right to Buy will be restored. Time spent for eligibility requirements for newer tenants would continue to accrue during the suspension period. Any tenant currently progressing the Right to Buy will be able to claim compensation for any expenses incurred. There will be an information note sent to all tenants about the IDN.

LAND REFERENCING FOR POTENTIAL COMPULSORY PURCHASE ORDERS

14. As required by relevant Compulsory Purchase Order (CPO) Guidance, the Council will seek to acquire all relevant land interests by negotiation but it is likely it will be necessary to consider the use of Compulsory Purchase Powers on both schemes to provide certainty that vacant possession and clean title for the land can be secured to enable delivery of the comprehensive schemes and deliver the benefits that will be realised. Members are not being asked to authorise the use of CPO powers, but are asked to note officers' view that it is likely that CPO will be required to deliver both projects. A further report (for each scheme) will be presented in due course – potentially in autumn 2018 – seeking authority to make and progress one or more CPOs, and providing the justification for doing so. The next step in preparing a CPO is to undertake a land referencing exercise through the appointment of a land referencing firm. The exercise will identify all owners, lessees, tenants, occupiers, mortgagees and any other third party having any interest or rights in, on, over and under any land within the sites, identify any rights of way and identify any special category land falling within Part III of the Acquisition of Land Act 1981 (including Crown land, local authority land, statutory undertaker land, open space etc). This is important as the Council must serve notice of any CPO on everyone with an interest in the land, and must take account of all of those interests and the impacts on them in deciding whether to make a CPO.
15. As part of the process, the referencers will need to serve requisition notices requiring occupiers to provide details of all residents of the property and other interested parties. These are formal statutory notices, pursuant to section 16 of the Local Government (Miscellaneous Provisions) Act 1976, and given the importance of having complete and correct information, that section permits the Council to enforce the provision of the information. It may be necessary and appropriate to use those

enforcement powers and, therefore, authority is sought to serve the notices and use the enforcement powers available. The Committee/Executive should note that this includes the potential to prosecute a person who does not provide the information, which could lead to a criminal sanction (currently a fine of up to £5,000).

16. These notices will be served once the land referencing firm are appointed. This will lead to the production of a land interest schedule which will identify parties impacted by the CPO and with whom the Council must negotiate in order to seek to acquire the land or interest by agreement. The land referencing will take place across all properties in the regeneration areas and around the periphery such as is considered required in order to identify all the interests that may be necessary in order to secure successful implementation of the schemes.

APPROPRIATION

17. Across both regeneration schemes, there is land that is within the General Fund and the Housing Revenue Account (HRA) but through the redevelopment there will be a need for land to move between both depending on its final use. In preparation of enabling development to proceed, the Council will need to develop a strategy to ensure that the right process is followed and it is done in the most efficient way possible. Legal advice is currently being sought and an update will be provided later this year.
18. To enable early sites delivering replacement homes to come forward, the Council will consider the use of its powers under Section 122 of the Local Government Act 1972 to appropriate land from one purpose to another and Section 203 of the Housing and Planning Act 2016 to override easements and restrictions to facilitate delivery of sites in accordance with any planning permission obtained. Officers are currently finalising the appropriate strategy for each site in relation to these powers and approval will be sought at a later date.

SCHEME UPDATE – ALTON

19. Planning Committee will be asked to approve an application for ten homes at Bessborough Road which, if approved, would be delivered by Redrow, subject to them satisfying the Council their proposal offers value for money in line with the requirements of the Regeneration Agreement signed in June 2017 within the funds approved in the HRA Capital Programme. It is estimated that start on site will be in early 2019 and provide replacement homes for the first residents in the intervention area.
20. Works are also being tendered for the temporary relocation of the Western Area Housing Team into the Roehampton Parish Hall. It is expected that the relocation will take place at the end of the year following further approval.
21. The Council are continuing to work with Redrow and their design team on a hybrid application which is due to be submitted in the summer 2018. The application includes 256 replacement Council homes that will be available for affected residents, new library and other community facilities (including youth, health and a community hall), replacement Eastwood Nursery and Children's Centre, landscape improvement (including a new village green and works to Downshire Fields) and new play facilities.

A separate planning application will also be submitted at the same time for improvement to Minstead Garden bungalows.

22. To support the rehousing programme, the Council is also seeking to engage Redrow to bring forward new homes at the Fontley Way site (shown in Appendix 2) to provide residential accommodation to allow for early relocation of existing secure tenants and residents homeowners affected by the Alton Estate regeneration programme. This would be on a contractor basis in line with the terms of the Regeneration Agreement signed in 2017. Estimated fees for developing the site to planning submission are £280,000. It is proposed that this expenditure is met from existing approved budget in the HRA Capital Programme. If approved, it is intended that the Fontley planning application will follow soon after the main planning application with the intention for them to be considered at the same planning committee. Subject to planning approval, further budget approval for development will be sought as the appropriate time to enable a start in site in 2019.
23. To enable Bessborough Road and Fontley Way to be delivered for replacement homes early by Redrow as a contractor ahead of the main regeneration sites without triggering wider developer phase conditions, the Council will be required to enter into a Deed of Variation (DoV) to the Alton Regeneration Agreement. This DoV will also clarify a number of commercial terms which are contained in a separate report (Paper No. 18-161A). These terms are commercially sensitive and, as such, the report constitutes exempt information and is not for publication.

SCHEME UPDATE – WINSTANLEY YORK ROAD

24. Planning permission has been secured for the first enabling phase of the regeneration scheme along Grant Road. This consists of 90 private for sale flats, 46 social rent Council flats, a new Battersea Baptist Church to replace the existing church in Pennethorne Square and a new expanded Thames Christian College again replacing the existing smaller premises in Pennethorne Square and a new 'blue pitch' Multi-use Games Area. Construction work is expected to start before the end of the year. The first completed new social rent flats are expected to be delivered to the Council by autumn 2020.
25. The existing regeneration team office in Pennethorne Square has been extended in order to accommodate Joint Venture and Council staff and enable easier access to information for residents.
26. Residents were consulted on the developing masterplan and detailed elements of the scheme through various drop in sessions in February 2018. During the Battersea Festival on 2nd June 2018 and in the week following the full masterplan was consulted on. This was the final major consultation session prior to submission of the main site-wide planning application. This will be submitted before the end of the summer. This will be a hybrid application, the detailed elements of which will be two residential blocks on the edge of the park containing 113 social Council rent and shared equity flats together with private units and the leisure/library/children's centre/community centre building with two blocks of private flats above.

LEGAL COMMENTS

27. Under section 105 of the Housing Act 1985, the Council as a local authority landlord has a duty to consult with those of its secure tenants who are likely to be substantially affected by a change in practice or policy relating to matters of housing management. This includes the management, maintenance and improvement of dwelling houses let by the Council under secure tenancies and the provision of services or amenities in connection with such dwelling houses. The consultation requirements under section 105 of the Housing Act 1985 must enable the secure tenants likely to be affected to be informed of the Council's proposals and to make their views known to the Council within a specified period. The Council, before making any decision on the matter, must consider any representations received during the specified consultation period.
28. A secure tenancy can be determined under ground 10A, Schedule 2 of the Housing Act 1985 if: -
 - (a) the property is in an area which is the subject of a redevelopment scheme;
 - (b) the redevelopment scheme has been approved by the Secretary of State;
 - (c) the landlord intends within a reasonable period of time of obtaining possession to dispose of the property in accordance with the scheme; and
 - (d) suitable alternative accommodation is available for the tenant.
29. To seek possession from the secure tenants under ground 10A before a Notice of Seeking Possession can be served the Council must: -
 - (a) consult with the tenants. The Council has to serve written notice on the secure tenants of its intention to apply to the Secretary of State for the approval of the scheme; and
 - (b) apply to the Secretary of State for approval of the redevelopment scheme.
30. After the notice set out in paragraph 29(a) (above) has been served, the Council must allow at least 28 days from the date the notice is served for the tenants to make representations to the Council about the proposal to make their views known. Only once the representations have been considered by the Council, can it make the application to the Secretary of State for the approval of the redevelopment scheme.
31. Right to Buy suspension is achieved through two forms of notice, Initial Demolition Notices (IDN) pursuant to section 138A of the Housing Act 1985 and Final Demolition Notices (FDN) pursuant to section 138B of the Housing Act 1985.
32. The IDN has the effect of suspending the Council's duty to complete the Right to Buy and provided the notice and publicity requirements have been complied with an IDN comes into effect when it is served upon a secure tenant and last for the duration set out in paragraph 33(c) below.
33. An IDN must state: -

- (a) that the landlord intends to demolish the property;
 - (b) the reasons for the demolition;
 - (c) the period within which the landlord intends to demolish, which must be no more than is reasonable in all of the circumstances to allow the landlord to carry out the proposed demolition and in any event not more than seven years. The IDN will have effect for this period; and
 - (d) that while the IDN remains in force the Council will not be under any obligation to complete the Right to Buy.
34. Where a FDN exists, there is no Right to Buy. An FDN replaces an IDN and is usually served when the Council has a date for the demolition. It is intended to prevent a secure tenant exercising the Right to Buy to take advantage of compulsory repurchase under a CPO.
35. Provided the notice and publicity requirements have been complied with, a FDN remains in force for two years. It may however, be extended by application to the Secretary of State.
36. A FDN must state: -
- (a) that the landlord intends to demolish the property;
 - (b) the reasons for the demolition;
 - (c) the proposed demolition date;
 - (d) the date the notice will cease to be in force;
 - (e) if other dwelling houses are required, that arrangements for their acquisition is in place; and
37. the Right to Buy does not arise while the FDN is in force.

COMMENTS OF THE DIRECTOR OF RESOURCES

38. The Director of Resources comments that all costs incurred in relation to the consultation on the demolition notices, land referencing exercise and wider negotiation and CPO process will be met from within existing approved Housing Revenue Account capital budgets and considered as part of the overall scheme costs.
39. The costs incurred in relation to the planning application for Fontley Way, estimated to be in the region of £280,000, will be met from existing budgets. Should the scheme be granted the necessary planning approvals further HRA capital budget variations will be recommended for approval at the appropriate time for the development of the site. As the schemes evolve the financial viability of the schemes will be continually reviewed to ensure and confirm continued affordability within the HRA business plan.

CONCLUSION

40. The recommendations in this report are intended to maintain momentum in the delivery of the regeneration schemes and Alton and Winstanley York Road. Now that planning applications are about to be submitted the recommendations in this report are to progress workstreams which will enable the new development to be constructed and ensure that decant and rehousing of existing residents can proceed successfully and to programme.

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12th June 2018

Background Papers

No background papers were used in the preparation of this report.

All reports to the Overview and Scrutiny Committees, regulatory and other Committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Assistant Head of Executive and Committee Services (Ms. Thayyiba Shaah on 020 8871 6039; email thayyiba.shaah@richmondandwandsworth.gov.uk) can supply if required.