

MAYOR AND CABINET		
Report Title	Re-Development of Heathside and Lethbridge: Section 105 Consultation and Phase 3 Decant	
Key Decision	Yes	Item No.6
Ward	Blackheath	
Contributors	EXECUTIVE DIRECTOR FOR CUSTOMER SERVICES, EXECUTIVE DIRECTOR FOR REGENERATION, EXECUTIVE DIRECTOR FOR RESOURCES, HEAD OF LAW	
Class	Part 1	Date: 23 February 2011

1. Summary

- 1.1. On 25 June 2003 Mayor and Cabinet agreed the proposal to expand Lewisham's established estates regeneration programme to include Heathside and Lethbridge. Following the outcome of the open competition, on the 22nd February 2006 Mayor and Cabinet agreed that Family Mosaic become preferred development partner for the re-development of Heathside and Lethbridge.
- 1.2. This scheme had been taken forward on the basis that funding would largely be through cross subsidy from the sale of private units. However the report to Mayor and Cabinet on 5th March 2008 set out that Government funding maybe required. The economic down turn confirmed this as the funding mechanism became unviable. £14.4m funding from the Homes and Communities Agency (HCA) has been secured to enable re-development of Phase 1 and now a further £10m funding for Phase 2 has also been committed by the HCA .
- 1.3. This report seeks to update Mayor and Cabinet on the statutory Section 105 consultation carried out with secure tenants on the estate agreed by Mayor and Cabinet at the meeting on 17th November 2010. The consultation was necessary to find out residents views on changes to the programme to bring forward the decant and demolition of 29 - 56 Lethbridge Close.

2. Purpose of Report

- 2.1 To update Mayor and Cabinet on the progress of the Heathside and Lethbridge Regeneration Scheme.
- 2.2 To ask the Mayor to consider the responses from residents to the formal Section 105 consultation.
- 2.3 To set out the necessary re-housing and buyback arrangements for Phase 3.

3. Policy Context

- 3.1 The re-development of Heathside and Lethbridge contributes to key national

objectives, particularly meeting the decent homes standard and increasing the supply of affordable housing. The Decent Homes Strategy required all local authorities to carry out a stock options appraisal by July 2005 to determine how Decent Homes will be achieved for all Council housing stock.

- 3.2 Lewisham completed its stock options appraisal in June 2005 and submitted a comprehensive Decent Homes strategy to Government Office for London (GoL) setting out an investment plan for the entire housing stock to meet the Decent Homes standard.
- 3.3 The re-development will see the replacement of 565 non decent or unusable homes with modern high quality homes in a well designed neighbourhood. In addition, the scheme will deliver a minimum of 126 additional affordable units and a supply of intermediate rent or private sale units.
- 3.4 The whole scheme supports the Sustainable Community Strategy 2008 – 2020 especially the priority outcomes Reducing inequality – narrowing the gap in outcomes for citizens; Clean, green and liveable – where people live in high quality housing and can care for and enjoy their environment and Dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond.
- 3.5 Further, the re-development of Heathside and Lethbridge is in line with Lewisham's established housing policy as set out in previous reports to Mayor and Cabinet and also contributes significantly to the Council's incoming Housing Strategy for 2009 – 2014 'Homes for the future: raising aspirations, creating choice and meeting need'.
- 3.6 The scheme will increase local housing supply and by introducing a range of housing types and tenures for a range of income households, the scheme will help to widen housing choice. More specifically, the scheme contributes to a host of strategic objectives. By obtaining funding from the HCA and using Council owned land for the purposes set out here, the Council is engaging with delivery partners and making the best use of available resources. The scheme aims to meet strategic targets of delivering 50% affordable units across the scheme and of providing 35% of affordable homes as family sized accommodation. A key principle of the scheme is to make the new development a desirable place to live, supporting the strategic objectives around design quality and safety, accessibility and improving environmental performance. In addition, Family Mosaic will manage all new homes, regardless of tenure through an integrated management body that will work with existing residents to ensure it provides high quality housing management.
- 3.7 The Council has outlined ten corporate priorities which enables the delivery of the Sustainable Community strategy. The re-development of Heathside and Lethbridge addresses the corporate priorities to provide decent homes for all, to invest in social housing and affordable housing in order to increase the overall supply of new housing. The scheme will also develop opportunities for the active participation and engagement of people in the life of the community.

4. Recommendations

It is recommended that the Mayor:

- 4.1 notes the progress of the Heathside and Lethbridge Regeneration Scheme;
- 4.2 having considered the responses to the statutory Section 105 consultation, agrees that the Council should seek to achieve the redevelopment of Heathside and Lethbridge in line with the revised phasing strategy as set out in Appendix 1.

5. Project Progress

- 5.1 Summary of the principles of this project and progress to date:
- The Homes and Communities Agency (HCA) have committed £14.4m funding to Phase 1 of the re-development of Heathside and Lethbridge.
 - The HCA have now also confirmed £10m funding for Phase 2.
 - Detailed planning permission for Phase 2 was granted in January 2011.
 - Rydon are the Phase 1 builder and started on site in August 2010. First handovers will be in February 2012 with the phase complete in Autumn 2012.
 - Ardmore have been selected as the Phase 2 builder and started on site in January 2011 as required by the HCA. First handovers (50 units for affordable rent) are planned for March 2012 and the phase will be complete in Spring 2014.
 - The hybrid planning application (part outline/part detailed) in the joint names of the Council and Family Mosaic was approved in March 2010.
 - Mayor and Cabinet approved the disposal of the Phase 2 site in November 2010 and Secretary of State consent has been obtained.

6. Scheme Proposals and Features

- 6.1 The overall scheme is to be carried out in broadly the same way as previously set out to Mayor and Cabinet on 25th March 2009. Key points are:
- The scheme will provide the same amount of affordable rented, shared equity and shared ownership properties as previously reported (542) meaning that there will be enough homes for all secure tenants and leaseholders who wish to remain and the scheme will provide an additional number of affordable homes.
 - The bed mix for the overall scheme is 390 one beds, 491 two beds, 264 three beds and 47 four beds (the four beds are all for affordable rent and represent an increase on the current number of four beds).
 - Phase 1 will provide 138 units, including 79 for affordable rent. The bed mix for Phase 1 is 21 one beds, 23 two beds, 23 three beds and 12 6 person four beds.
 - Phase 2 will provide 190 units. There will be 70 units for affordable rent in the lower storey buildings and 49 private sale and 71 shared ownership units in the towers. This phase includes 36 1 bed homes for over 55's.
 - All of the homes will meet the lifetime homes standard and all affordable rented homes will meet the code for sustainable homes level 4. There will be the required 10% wheelchair accessible or adaptable homes across the whole site.
 - A multi function community centre will also be provided.
 - The overall scheme will provide around 1192 units.
 - As grant funding is now being used and the Council is part of the South East Inter Borough Nominations Protocol, although the decant need will first be satisfied, subsequent nominations will then have to take into account the agreed formula for sub regional housing.

6.2 The terms of the Development Agreement are that should the scheme provide private sale units, any income into the scheme is carried over into the next phase to improve financial viability. At the end of the scheme, any remaining surplus is to be split between the HCA and Council on a 60/40 basis with any money received by the Council being treated as a deferred payment for the land.

7. Section 105 Consultation

7.1 Section 105 of Part IV of the Housing Act 1985 makes it a requirement for a landlord authority to consult with those of its secure tenants who are likely to be substantially affected by a matter of housing management. The Act specifically identifies a new programme of improvement or demolition to be a matter of housing management to which Section 105 applies.

7.2 On Monday 22nd November 2010 a letter was hand delivered (together with a reply-paid envelope) to all secure tenants on the Heathside and Lethbridge estates. Due to the Christmas period, a 48 day period was given to residents (longer than the required 28 days) to send in their observations or comments.

7.3 This statutory consultation has been undertaken twice before (in January 2008 and August 2009). However as the phasing requirements have changed, this needed to be undertaken again. In both instances, the Mayor decided that there was general support for the scheme and agreed the overall decanting and demolition of Heathside and Lethbridge. Therefore the updated S105 consultation focused on the changes that would result from bringing 29 - 56 Lethbridge Close into Phase 3.

7.4 At the closing of the consultation period a total of 6 responses had been received from secure tenants out of 404 possible remaining tenanted properties. The full responses (with replies from Council Officers) have been made available in the Members room.

7.5 All of the responses received were either questions about the process of the re-development or expressing dismay or frustration that it will take so long for new homes to be built. Several raised current housing repair concerns. One made suggestions for the new development. Three responses concerned their individual re-housing needs. None expressly supported or opposed the change to the phasing plan.

8. Phasing and Re-housing

8.1 The overall phasing for construction of the new development is set out in Appendix 1. The location of Phase 1 was chosen largely to address the problem of two long term empty blocks with the added benefit of having a Phase 1 that required a small off site decant to kick start the programme. Family Mosaic have confirmed that the best phasing programme for the new development follows on from this geographically, continuing with the Heathside blocks before moving on to the demolition of Lethbridge Close.

8.2 Phase 2 is on the site of 1 -28 Lethbridge Close which is already decanted and demolished and two adjoining car parks.

8.3 Subject to Mayor and Cabinet approving this report it is intended that the new homes

in Phase 1 and Phase 2 will be first choice for residents in Holcroft, Doleman, Vardon Houses and 29 - 56 Lethbridge Close to move into. It is intended to re-house residents in Landale Court in designated elderly properties in Phase 2. The report to Mayor and Cabinet on November 2010 demonstrated that there are sufficient new build homes in Phases 1 and 2 to re-house these residents should they wish.

- 8.4 All households will have the option of moving away from the area using home search. It is intended that households have a significant amount of time to do this as with a new housing allocations policy and increasing pressures on the Boroughs housing stock it can take some time for appropriate properties to become available.
- 8.5 The timing of decanting residents and demolishing blocks is crucial as a number of key factors need to be considered such as void security and minimising risk, allowing tenants time to use home search, allowing for the potential CPO period, meeting the build timescales of the previous phase for timely handovers and sitting within the overall programme.
- 8.6 Key programme dates are below:

Dec 2010 - Jan 2011	Leaseholder visits
Dec 2010 - March 2011	Tenant visits
April 2011 - Summer 2012	Tenant moves off site
February 2012	Phase 1 first handovers
Spring / Summer 2012	Phase 2 first handovers
Summer / Autumn 2012	Phase 1 final handovers
Autumn / Winter 2012	Demolition of Phase 3 blocks
Early 2013	Phase 3 construction

9. Consultation

- 9.1 Consultation with residents on Heathside and Lethbridge has been recognised as a key element in the success of this project from the outset as the new homes and neighbourhood are being created to benefit these existing residents. Consultation with residents and local community groups has therefore been ongoing throughout the process and has been detailed in previous reports to Mayor and Cabinet.
- 9.2 Prior to Family Mosaic's selection, estate wide consultation included an independent survey, letters, newsletters and drop in sessions. Interested residents from the TRA formed the resident steering group, which have met on a monthly basis from December 2004. The group is also attended by a Ward Councillor. Initial consultation was undertaken with local community service providers through the Neighbourhood Forum also from 2004.
- 9.3 Since Family Mosaic's involvement in the scheme, a comprehensive consultation strategy has been developed. In drawing up the master plan, residents were involved through the resident design group, set up in 2007 which enables residents to effectively contribute to the master planning process. There have been estate wide fun days and exhibitions for residents and also for neighbours throughout the scheme so far with many concentrating on the master plan and Phase 1 planning application. Officers from both the Council and Family Mosaic attend TRA meetings and send out

letters / newsletters as appropriate.

- 9.4 During the summer 2010 there was comprehensive consultation undertaken with estate residents, neighbours and local service providers regarding the Phase 2 detailed planning application. This involved a series of detailed drop in sessions on various key elements of the scheme (such as appearance, landscaping and flat layouts), a consultation session specifically with residents of Landale Court and a newsletter.

10. Legal Implications

- 10.1 Section 105 of the Housing Act 1985 provides that the Council must consult with all secure tenants who are likely to be substantially affected by a matter of housing management to which the section applies. The section specifies that a matter of housing management would include demolition of dwelling houses let by the authority under secure tenancies and that such consultation must inform secure tenants of the proposals and provide them with an opportunity to make their views known to the Council within a specified period. The section further specifies that before making any decisions on the matter the Council must consider any representations from secure tenants arising from the consultation. Such consultation must therefore be up to date and relate to the development proposals in question.

11. Financial implications

- 11.1 The phase 3 budget for 2010/11 – 2012/13 was set out in detail in the report agreed by Mayor and Cabinet in November 2010 and approved in the 2010-13 budget report that went to Mayor and Cabinet in January 2010.

12. Human Rights Act 1998 Implications

- 12.1 The Act effectively incorporates the European Convention on Human Rights into UK law and requires all public authorities to have regard to Convention Rights. In making decisions Members therefore need to have regard to the Convention.
- 12.2 The rights that are of particular significance to Members' decision in this matter are those contained in Articles 8 (right to home life) and Article 1 of Protocol 1 (peaceful enjoyment of possessions).
- 12.3 Article 8 provides that there should be no interference with the existence of the right except in accordance with the law and, as necessary in a democratic society in the interest of the economic well-being of the country, protection of health and the protection of the rights and freedoms of others. Article 1 of the 1st Protocol provides that no-one shall be deprived of their possessions except in the public interest and subject to the conditions provided for by law although it is qualified to the effect that it should not in any way impair the right of a state to enforce such laws as it deems necessary to control the uses of property in accordance with the general interest.
- 12.4 In determining the level of permissible interference with enjoyment the courts have held that any interference must achieve a fair balance between the general interests of the community and the protection of the rights of individuals. There must be reasonable proportionality between the means employed and the aim pursued. The availability of an effective remedy and compensation to affected persons is relevant

in assessing whether a fair balance has been struck.

12.5 Therefore, in reaching his decision, the Mayor needs to consider the extent to which the decision may impact upon the Human Rights of estate residents and to balance this against the overall benefits to the community which the redevelopment of Heathside and Lethbridge will bring. The Mayor will wish to be satisfied that interference with the rights under Article 8 and Article 1 of Protocol 1 is justified in all the circumstances and that a fair balance would be struck in the present case between the protection of the rights of individuals and the public interest.

12.6 It is relevant to the consideration of this issue, that should the scheme proceed most displaced occupiers would be offered re-housing in accordance with the Council's re-housing policy. Secure tenants will be entitled to home loss and disturbance payments. Leaseholders will be entitled to receive market value for their properties as well as home loss and disturbance payments where appropriate in accordance with the Land Compensation Act 1973

13. Environmental Implications

13.1 The new homes to be built by Family Mosaic will be more thermally efficient than the existing ones and hence, apart from being cheaper to heat, will generate less greenhouse gases.

14. Implications for Law & Disorder

14.1 The Family Mosaic redevelopment is planned to meet the police's Secured by Design standards and should lead to a reduction in crime and the fear of crime.

15. Equality Implications

15.1 There are equalities implications in the decanting and re-building process and there will also be benefits in the completed scheme.

Equalities implications: during the process

15.2 During the door knocking, Council and Family Mosaic staff built up a database of households that have English as a second language so that key information can be translated.

15.3 The decanting process provides a very individual service, where decant officers visit tenants at home and get to know them and their needs on an individual basis, so that any special requirements can be taken into account such as language, mobility or support needs. It is recognised that decanting is a very stressful time and decant officers will offer as much support as required to minimise the anxiety to residents.

Equalities implications: the completed development

15.4 The scheme will provide thermal and security improvements, with all new properties meeting the decent homes standard. This will be of benefit to the tenants of the new social housing, many of whom are likely to be disadvantaged.

15.5 All new affordable units in the development will meet lifetime homes standards. A

Lifetime Home is the incorporation of 16 design features that together create a flexible blueprint for accessible and adaptable housing in any setting so that the unit can be adapted when required to suit residents changing needs.

- 15.6 In line with GLA and Council policy, 10% of units across the development will be wheelchair accessible or easily adapted for those using a wheelchair.
- 15.7 The topography of the site is challenging. The architects are designing the master plan to alleviate problems associated with access, particularly for the elderly and wheelchair users. Issues being taken into account are using ramps instead of steps and altering the land gradient where possible.
- 15.8 All new blocks will have lifts serving smaller cores/ units so will get less use and have a longer life expectancy.

16. Conclusion

- 16.1 This report gives an update on scheme progress and seeks approval to proceed with an enlarged Phase 3 decant.

17. Background papers and report author

Title Document	Date	Location
Re-Development of Heathside and Lethbridge: Phase 3 decant and Phase 2 land disposal	Mayor and Cabinet November 2010	5th Floor Laurence House
Re-Development of Heathside and Lethbridge: Update, Development Agreement and Phase 1 Land Disposal	Mayor and Cabinet November 2009	5th Floor Laurence House
The re-development of Heathside and Lethbridge– Update and Memorandum of Understanding	Mayor and Cabinet March 2009	5th Floor Laurence House
The re-development of Heathside and Lethbridge– Decanting and Demolition Notice	Mayor and Cabinet March 2008	5th Floor Laurence House
The re-development of Heathside and Lethbridge – initial funding requirements	Mayor and Cabinet June 2007	5th Floor Laurence House
The re-development of Heathside and Lethbridge – selection of preferred development partner	Mayor and Cabinet Feb. 2006	5th Floor Laurence House
The next four regeneration scheme update	Mayor and Cabinet 9 th June 2004	5th Floor Laurence House
Housing Investment Strategy: The way forward and The Housing Investment Strategy: Covering Report	Mayor and Cabinet 17 th September 2003	5th Floor Laurence House
The next four regeneration scheme	Mayor and Cabinet 25 th June 2003	5 th Floor, Laurence House

17.1 For more information on this report please contact Genevieve Macklin, Strategic Housing on 020 8314 6057