

MAYOR AND CABINET			
Report Titles	Housing Regeneration Schemes - Proposed London Borough of Lewisham (Heathside and Lethbridge Estate, Lewisham – Phase 4B) Compulsory Purchase Order 2014		
Key Decision	Yes		
Ward	Blackheath		
Contributors	EXECUTIVE DIRECTOR FOR CUSTOMER SERVICES, EXECUTIVE DIRECTOR FOR RESOURCES & REGENERATION, HEAD OF LAW		
Class	Part 1	Date	1 October 2014

1. Summary

- 1.1. On 25th June 2003 Mayor and Cabinet agreed the proposal to expand the Council's established estates regeneration programme to include Heathside and Lethbridge. On 9th June 2004 Mayor and Cabinet agreed to the process of an open competition at Heathside and Lethbridge to find a partner to re-provide social housing and mixed tenure housing. Following the outcome of the open competition, on the 22nd February 2006 Mayor and Cabinet agreed that Family Mosaic become the Council's preferred development partner for the re-development of Heathside and Lethbridge ("the Scheme").
- 1.2. The Council re-housed tenants and bought back leaseholders in Braid House (Phase 1) and 1 – 28 Lethbridge Close (Phase 2) between 2006/07 and 2009/10 respectively. The Phase 1 and 2 building works are now complete with around 120 tenants from the original estate now living in new homes. The Phase 3 decant of tenants and leaseholders was completed in February 2013 and demolition and building works are underway.
- 1.3. On 3rd October 2012 Mayor and Cabinet approved that Phase 4 be split in two and bought forward, allowing tenants to move into homes in Phases 1 and 2. Mayor and Cabinet approved the making of a Compulsory Purchase Order for Phase 4A in April 2013. This has been put in place and the Council has vacant possession of Phase 4A, which is in accordance with Family Mosaic's programme and funding requirements. All tenants in Phase 4A have now been re-housed.
- 1.4. The decant of tenants in Phase 4B, Melville House started in January 2013 and leaseholder buy backs commenced in December 2012. In order to start the Phase 4B building works on time, the Council is required to provide vacant possession of the Phase 4B site during the Summer 2015. To ensure this is possible, Officers are seeking authority to proceed with a Compulsory Purchase Order in respect of the land comprising the Phase 4B site.

2. Purpose of Report

- 2.1 To update Mayor and Cabinet on the progress of the Heathside and Lethbridge

Regeneration Scheme.

- 2.2 To seek authority to proceed with all necessary statutory procedures to obtain a Compulsory Purchase Order (CPO) for the compulsory acquisition of all interests in the land and buildings known as Melville House, the site of which is shown verged in black on the plan attached as Appendix 1, other than those interests already in the ownership of the Council.
- 2.3 The Mayor previously resolved to make a CPO for Melville House on 19 March 2014. In view of the need to include some additional land in the CPO, a fresh CPO resolution is required.

3. Recommendations

It is recommended that the Mayor:

- 3.1 resolves to make a Compulsory Purchase Order in accordance with Section 17 of Part II of the Housing Act 1985 and the Acquisition of Land Act 1981, for the compulsory acquisition of all interests in the land and buildings known as Melville House, Heathside and Lethbridge Estate, Lewisham, the site of which is shown verged in black on the plan attached as Appendix 1, other than those interests already in the ownership of the Council;
- 3.2 delegates authority to the Director of Director of Regeneration and Asset Management, in consultation with the Head of Law, to determine the final extent of the land to be included within the Compulsory Purchase Order provided that the Compulsory Purchase Order shall not include any additional land outside the area shown verged in black on the plan attached as Appendix 1;
- 3.3 authorises the appropriate Officers to take such other action as may be necessary to make, obtain confirmation and effect the Compulsory Purchase Order and to acquire all interests under it; and
- 3.4 delegates authority to the Executive Director for Resources and Regeneration (in the event that the Secretary of State notifies the Council that it has been given the power to confirm the Compulsory Purchase Order) to confirm the Compulsory Purchase Order if the Executive Director is satisfied that it is appropriate to do so.

4. Policy Context

- 4.1 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.
- 4.2 The Council 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.
- 4.3 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.

- 4.4 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.
- 4.5 Further, the re-development of Heathside and Lethbridge is in line with the Council'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'.
- 4.6 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.
- 4.7 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.

5. Background

- 5.1 The Mayor previously resolved to make a CPO for Melville House on 19 March 2014 and the report is attached at Appendix 2. The background is set out in detail in Section 5 of that report.
- 5.2 Since the original CPO resolution negotiations to buy back the leasehold interests have continued. One leaseholder had been bought back already and a further leaseholder has since agreed terms. The Council has had ongoing discussions with the three resident leaseholders (of which one has agreed terms) about their re-housing options.
- 5.3 In preparation for the making of the CPO, Legal Services have served statutory requisitions for information on the owners and occupiers of Melville House and carried out further title work. This exercise has identified some additional land within

the ownership of 1 Melville House and 42 Melville House which was not included in the original CPO resolution. This additional land is required for the scheme.

5.4 In view of the need to include the additional land in the CPO, a fresh CPO resolution is required.

6. Project Progress

6.1 See Section 6 of the report attached at Appendix 2. Since the original CPO resolution the scheme overall has progressed:

- The building works on Phase 3 are underway with new road network being built and homes due for completion in stages between Spring 2015 and 2016.
- The Council has obtained vacant possession of Phase 4B, having used CPO powers and re-housed tenants.
- Family Mosaic are going through the process of obtaining detailed Planning approval for the Phase 4 development and selecting the Phase 4 contractor.
- Phase 4A is due to be demolished in early 2015 with building works commencing immediately afterwards; demolition of Phase 4B is expected in the autumn 2015 once the Council has obtained vacant possession. The Council is now working towards obtaining vacant possession of the Phase 4B block in the Summer 2015.
- 13 tenants in Phase 4B (Melville House) have been re-housed, most of the 25 remaining tenants are expected to move into the new homes being built in Phase 3 (those due for hand over in Spring/ Summer 2015).

7. Scheme Proposals and Features

7.1 See Section 7 of the report attached at Appendix 2.

8. Phase 4B Vacant Possession

8.1 See section 8 of the report attached at Appendix 2. Currently one leaseholder has been bought back and one has agreed terms. Negotiations are continuing with the remaining 6 leaseholders.

9. Consultation

See Section 9 of the report attached at Appendix 2

10. Planning Permission for Phase 4 of the Heathside and Lethbridge Regeneration

10.1 Outline planning permission for the Scheme was granted in March 2010. Family Mosaic have obtained approval from Planning Committee for their Minor Material Amendments application for the Phase 4 scheme. An application to agree the Reserved Matters application is being considered by Committee in October 2014 .

11. Funding for Phase 4 of the Heathside and Lethbridge Regeneration

11.1 See Section 11 of the report attached at Appendix 2.

12. Financial Implications

12.1 See Section 12 of the report attached at Appendix 2.

13. Legal Implications

13.1 Further legal implications are set out in Section 13 of the report attached at Appendix 2.

13.2 The Council may only include land which it has resolved to acquire in a CPO. Because of the need to extend the boundary of the CPO to include the additional land within the ownership of 1 Melville House and 42 Melville House, a fresh resolution is required.

Equalities Legislation

13.3 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

13.4 In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

13.5 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

13.6 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

13.7 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty
2. Meeting the equality duty in policy and decision-making
3. Engagement and the equality duty
4. Equality objectives and the equality duty
5. Equality information and the equality duty

13.8 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

14. Human Rights Act 1998 Implications

See Section 14 of the report attached at Appendix 2.

15 Environmental Implications

15.1 See Section 15 of the report attached at Appendix 2.

16. Crime & Disorder Implications

See Section 16 of the report attached at Appendix 2.

17. Equality Implications

See Section 17 of the report attached at Appendix 2.

18. Conclusion

18.1 Approval of the recommendations in this report is critical for the implementation of the Scheme. The proposals underlying the Compulsory Purchase Order for Phase 4B form an integral part of the Scheme which is intended to benefit the residents of the Heathside and Lethbridge Estate and the Estate as a whole. If this Phase of the Scheme is not completed, then the objectives referred to in this report will not be met. Future phases of the Scheme will be in jeopardy and the overall effect of the Scheme which the Council is seeking will not be achieved.

18.2 In order to facilitate the Scheme proceeding to schedule and for the Council to avoid incurring costs due to any delays caused in delivering vacant possession of the property, it is considered prudent and essential that the Council resolves to make the necessary Compulsory Purchase Order to allow the acquisition of all interests in the Phase 4B site, other than those interests already in the ownership of the Council.

19 Background papers and author

19.1 The Report agreed by Mayor and Cabinet on the 19th March 2014 can be found

here:

<http://councilmeetings.lewisham.gov.uk/documents/s27995/Heathside%20and%20Lethbridge%20CPO.pdf> and map can be found here:
<http://councilmeetings.lewisham.gov.uk/documents/s27998/HL%20Ph4B%20CPO%20plan.pdf>

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

Appendix 1 – CPO Plan

Appendix 2 – Mayor and Cabinet Report dated 19 March 2014