

MAYOR AND CABINET			
Report Titles	Housing Regeneration Schemes Update – Leaseholder Buy Backs		
Key Decision	Yes		
Ward	Blackheath, Whitefoot, Rushey Green		
Contributors	Executive Director For Customer Services Executive Director For Resources & Regeneration Head Of Law		
Class	Part 1	Date	14 January 2015

1. Summary

- 1.1 The Council has an established programme of regeneration schemes across the borough. This involves a process of re-housing tenants and buying properties from home owners to enable demolition of existing stock and new homes and neighbourhoods to be built. Most recently, the Council's approach has been to only buy back home owners in the current decant Phase to minimise spending.
- 1.2 This report sets out the number of properties on existing regeneration schemes which the Council will be required to buy back to enable the schemes to go ahead. Officers are seeking authority to commence negotiations to buy back these properties on a voluntary basis at the current time, in advance of the demolition programmes.
- 1.3 The Council, like all London boroughs, continues to face very high levels of demand for emergency housing for homeless households. This accommodation is often poorly suited to the needs of the residents, and also leads to severe financial pressures for the Council. A range of policy tools are being deployed in order to manage this demand and increase the supply of better quality, cheaper, temporary accommodation.
- 1.4 This report requests permission from Mayor and Cabinet to implement another means of increasing supply of temporary accommodation, by bringing forward the voluntary buy-back of leaseholders in every phase of every live regeneration scheme, in order that purchased properties be used for temporary accommodation for homeless households, providing better accommodation for the residents and savings for the Council.
- 1.5 The costs of buying back the properties would initially be funded by the Council, as has previously been agreed for each of the schemes, but are expected to be re-paid to the Council as part of the development programme for each scheme. This proposal therefore requires expenditure that has already been planned to be brought forward, rather

than additional expenditure.

2. Purpose of Report

- 2.1 To seek authority to commence voluntary buy backs of lease/ freeholder homes across existing regeneration schemes: Heathside and Lethbridge; Excalibur and Milford Towers.

3. Policy Context

- 3.1 Regeneration schemes contribute to key national objectives, particularly meeting the decent homes standard and increasing the supply of affordable housing. The schemes support 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.
- 3.2 Further, the re-development schemes are in line with Lewisham's established housing policy as set out in previous reports to Mayor and Cabinet and also contributes significantly to the Councils incoming Housing Strategy for 2009 – 2014 'Homes for the future: raising aspirations, creating choice and meeting need'.
- 3.3 There are also significant cross-over's with the delivery of the Council's Regeneration Strategy (currently being refreshed).

4. Recommendations

It is recommended that the Mayor:

- 4.1 Agrees that any properties in the schemes set out which were previously sold under the Right to Buy be repurchased by the Council at market value (to include reasonable professional fees) where agreement can be reached with leaseholders in advance of a Compulsory Purchase order being made by the Council and to delegate authority to the Head of Corporate Asset Services in consultation with the Head of Law to negotiate, agree and conclude the acquisition terms;

5. Schemes and Properties to Buy Back

- 5.1 The schemes that are to be included in this programme and the total numbers of properties to be bought back are listed below. The end

column, 'Expected Programme' is the date that the buy backs are currently expected to take place within the development programme. Should this report be agreed, Officers propose to be able to start the buy back process immediately, once the appropriate resources are in place. This would mean that negotiations would be able to start in the Spring 2015 with buy backs completing as quickly as possible thereafter.

Scheme	Phase	Number	Expected Programme *
Heathside and Lethbridge	5	18	2015 (Mid) – 2017
	6	9	2017 - 2020
Excalibur	4	4	2016 - 2018
	5	7	2018 - 2020
Milford Towers	-	22	2015 - 2018
Total		60	

5.2 These are all properties that are part of established regeneration schemes where the Council has historically committed to buying back these properties in the future.

- Heathside and Lethbridge: the Phase 5 buy back process is due to start mid way through 2015 (as agreed by Mayor and Cabinet in September 2014) and demolition is expected in 2017; the timing of Phase 6 is dependent on progress made in Phase 5 however buy backs are otherwise expected to commence in around 2017. A number of leaseholders have approached the Council during the scheme as they would like to be bought back in advance of their decant Phase.
- Excalibur: Currently L&Q are in the process of seeking a stopping up order for the roads in order to commence building work on the now vacant and demolished Phase 1 / 2 site. In September 2014 Mayor and Cabinet agreed that tenants in Phases 4 and 5 be re-housed should they wish to move away from the estate and since this time, Freeholders have asked the Council whether they could be bought back now.
- Milford Towers: the Council has been re-housing tenants from Milford Towers across the borough since May 2012. To date around 80% of secure tenants have been re-housed as the Council develops plans and a strategy for the regeneration of the town centre. The Council's approach has been to wait for wider scheme development before buying back properties however many leaseholders have asked the council to be bought back now.

- 5.3 There are a range of benefits to the Council of buying properties at the current time. As the council will have responsibility for buying back these properties at a later date anyway, starting now would reduce risks to the development programme. Home owners on all three of these schemes have independently contacted the Council expressing a desire to be bought back now. Doing so is expected to lead to smoother negotiations with leaseholders who would like to make alternative arrangements now rather than having to wait.
- 5.4 Furthermore, properties bought back now would be an asset that the Council could use as temporary housing. Due to housing pressures experienced by residents, the use of temporary accommodation has increased significantly over the last 18 months with a large financial impact on the Council. There are currently almost 600 families residing in temporary accommodation leading to an annual budget pressure for the Council of nearly £3m. Buying back leaseholders' properties earlier in the regeneration process will offer the Council access to additional accommodation that can be made available to homeless households, thereby achieving cost savings compared to the use of emergency bed and breakfast accommodation. As the buy backs are not otherwise expected to take place for some years, the saving to the Council could be considerable.
- 5.5 Officers are proposing that these properties would be bought back on a voluntary basis and home owners would be expected to make their own re-housing arrangements. It would be expected that only a proportion of the 60 home owners noted in the table would want to sell their property to the Council at the current stage and buy backs would be taken forward on a 'first come, first served' basis. The second part of this report being considered by Mayor and Cabinet sets out the budget arrangements required to take forward these proposals which may limit the number of buy backs at any one time.
- 5.6 On Heathside and Lethbridge and Excalibur those who live in the properties they own are eligible to buy into a new property in the development being built. On Heathside and Lethbridge for example, 5 leaseholders who lived in the properties in Phases 3 and 4 have chosen to buy into new homes in the development. Home owners being bought back ahead of the planned building works programme would not be able to be buy into the new development.
- 5.7 The Council uses compulsory purchase order (CPO) powers in regeneration schemes in order to ensure it can buy back properties in a timely way. This report would seek to enable Officers to buy back properties in advance of any CPO powers being sought. However as these schemes are established as regeneration schemes, the Council would pay compensation (home loss) and disturbance payments in accordance with CPO legislation. Officers will revert to Mayor and Cabinet to start the CPO process as necessary for each scheme/ Phase.

- 5.8 Should the properties not be suitable for use as temporary accommodation, Officers would seek to use either property guardians if suitable or may need to secure the property with grills, although this would only be as a last resort.

6. Legal Implications

- 6.1 The legal implications are contained in the Part 2 report.

7. Financial implications

- 7.1 The financial implications are contained in the Part 2 report.

8. Human Rights Act 1998 Implications

- 8.1 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.
- 8.2 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).
- 8.3 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.
- 8.4 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.
- 8.5 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 various schemes 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.

- 8.6 It is relevant to the consideration of this issue, that in the existing regeneration schemes all displaced secure tenants are offered re-housing in accordance with the Council's re-housing policy. If bought back under the development programme, and where possible, resident leaseholders are offered flexible options to acquire a new home in the new development. The Council retains the discretion to enable resident leaseholders who cannot afford to purchase a new home to rent a home on an assured tenancy in order to prevent homelessness. Secure tenants will be entitled to home loss and disturbance payments. Leaseholders will receive market value for their properties as well as home loss and disturbance payments where appropriate in accordance with the Land Compensation Act 1973.
- 8.7 Generally, given the schemes are for the better planning of the area, to deliver on various corporate objectives and support regional development plans, it is felt that there should be no negative implications under Article 1 or Article 8 of the Human Rights Act.

9. Environmental Implications

- 9.1 The new homes to be built on both schemes will be more thermally efficient than the existing ones and will generate less greenhouse gases.
- 9.2 Such measures will contribute to the delivery of the council's climate change and sustainability targets.

10. Implications for Law & Disorder

- 10.1 The completed schemes will meet the police's Secured by Design standards and should lead to a reduction in crime and the fear of crime.

11. Equality Implications

- 11.1 Mayor and Cabinet approved the Equalities Impact Assessment for the regeneration of Heathside and Lethbridge in November 2009 and for Excalibur in October 2010. Officers have since taken the new Equalities Analysis Assessment (EAA) additional categories into account in considering the impact of the regeneration scheme and regularly review the Impact Assessments to ensure that any equalities implications are considered. There are equalities implications in the decanting and re-building process and there will also be benefits in the completed scheme

that will impact on some of the most disadvantaged in the community. The Council's approach to re-housing tenants means that all residents needs such as language and medical are individually taken into account.

12. Conclusion

12.1 This report seeks approval to buy back home owners across existing regeneration schemes and to then use the accommodation for home less households.

13. Background papers and author

13.1 There are no background papers to this report.

13.2 For more information on this report please contact Rachel George, Strategic Housing on 020 8314 8146.