



Mayor and Cabinet

Report title: Achilles Street Estate Land Assembly

Date: 10 June 2020

Key decision: Yes

Class: Part 1

Ward(s) affected: New Cross

Contributors: Executive Director for Housing, Regeneration and Environment; Acting Chief Finance Officer, Head of Law

Outline and recommendations

It is recommended that the Mayor and Cabinet:

- Notes the progress of the Achilles Street estate regeneration scheme;
- Notes the responses to the consultation carried out under s105 of the Housing Act 1985 between 17 March 2020 and 15 April 2020;
- Having considered the responses to the consultation “, agrees to continue with the plans to redevelop the Achilles Street Estate;
- Subject to agreement of the above recommendations:
 - delegates authority to the Executive Director for Housing, Regeneration and Environment in conjunction with the Head of Law to serve Initial Demolition Notices on all secure tenants on the Achilles Street Estate pursuant to paragraph 4(2) of Schedule 5A of the Housing Act 1985 (as amended) at such time as deemed appropriate;
 - agrees to the suspension of letting secure tenancies on the Achilles Street Estate;
 - notes that officers will commence full housing assessments for all secure tenants of the Achilles Street estate;
 - agrees that any secure tenant on the Achilles Street estate who receives an offer of alternative accommodation and moves out of their property in advance of the decant officially commencing receives a discretionary payment equivalent to the statutory home loss payment and reasonable disbursement costs they would otherwise have been entitled to; and
 - notes the potential requirement for the Housing Needs Manager to exercise their discretion to award additional priority to secure tenants and resident leaseholders of the Achilles Street estate when specialist or large properties become available for letting.

Timeline of engagement and decision-making

Lewisham, and London more generally, faces severe housing pressures across all tenures. A combination of historic and on-going lack of new supply, a reduction in the number of available lets across the social housing stock, welfare reform, and rising property prices and rents, has led to rapidly increasing, and unmet, demand for social housing.

This report is a Key Decision, therefore any decision will be subject to scrutiny.

Previous reports to Mayor and Cabinet in relation to the proposed redevelopment of the Achilles Street Estate are as follows:

- Achilles Street Redevelopment Proposals – Part 1 – 12 December 2018
- Achilles Street Redevelopment Proposals – Part 2 – 12 December 2018
- Achilles Street Landlord Offer for an Estate Regeneration Ballot - Part 1 - 18 September 2019
- Achilles Street Landlord Offer for an Estate Regeneration Ballot - Part 2 - 18 September 2019
- Achilles Street Estate Regeneration Ballot Results – Part 1 – 15 January 2020

1. Summary

- 1.1. In September 2019 Mayor and Cabinet agreed to the offer being made to the residents of the Achilles Street Estate on the redevelopment of the estate and agreed to the ballot of those residents on whether they were in support of the proposals. The proposals and commitments were contained within the Landlord Offer which was delivered to eligible residents in advance of the ballot.
- 1.2. The Estate Regeneration ballot was carried out between 18 October 2019 and 11 November 2019. 92% of eligible residents voted which represents 81 of 88 eligible voters on the estate. Of the 81 residents who voted, 72.8% voted "Yes" in favour of regenerating the Achilles Street Estate. This means that 59 eligible residents support the redevelopment proposals. The outcome of the ballot was reported to Mayor and Cabinet on 15 January 2020.
- 1.3. The report of 15 January 2020 also recommended all secure tenants on the estate be consulted under s105 of the Housing Act 1985 on the proposals for the estate. This consultation has now been completed and the results are provided in Section 6 of this report.
- 1.4. If the redevelopment proceeds, the Council needs to protect its position in relation to the land assembly. To do this, officers recommend the suspension of any further applications under the Right to Buy through the service of an Initial Demolition Notice on all secure tenants. Further, officers are recommending the suspension of letting any new secure tenancies on the estate, with vacant properties instead being used as temporary accommodation let on non-secure tenancies.
- 1.5. Information on households was collated in advance of the ballot in order to produce the Landlord Offer but detailed housing assessments and applications have not yet been conducted. These will be required to assist with the design and planning process for the redevelopment and to ensure that the commitments made to residents are delivered.
- 1.6. Whilst it is hoped and anticipated that the majority of residents will wish to remain on the

estate in a new home, conducting housing needs assessments and completing housing applications will give those who do not wish to remain on the estate an opportunity to move in advance of the new homes being available.

2. Recommendations

- 2.1. It is recommended that the Mayor and Cabinet:
- 2.2. Notes the progress of the Achilles Street estate regeneration scheme;
- 2.3. Notes the response to the consultation carried out under s105 of the Housing Act 1985 between 17 March 2020 and 15 April 2020;
- 2.4. Having considered the responses to the consultation, agrees to continue with the plans to redevelop the Achilles Street Estate;
- 2.5. Subject to agreement of recommendation 2.4:
- 2.6. delegates authority to the Executive Director for Housing, Regeneration and Environment in conjunction with the Head of Law to serve Initial Demolition Notices on all secure tenants on the Achilles Street Estate pursuant to paragraph 4(2) of Schedule 5A of the Housing Act 1985 (as amended) at such time as deemed appropriate;
- 2.7. agrees to the suspension of letting secure tenancies on the Achilles Street Estate;
- 2.8. notes that officers will commence full housing assessments for all secure tenants of the Achilles Street estate;
- 2.9. agrees that any secure tenant on the Achilles Street estate who receives an offer of alternative accommodation and moves out of their property in advance of the decant officially commencing receives a discretionary payment equivalent to the statutory home loss payment and reasonable disbursement costs they would otherwise have been entitled to;
- 2.10. notes the potential requirement for the Housing Needs Manager to exercise their discretion to award additional priority to secure tenants and resident leaseholders of the Achilles Street estate when specialist or large properties become available for letting.

3. Policy Context

- 3.1. The Council's Corporate Strategy (2018-2022)^[1] outlines the Council's vision to deliver for residents over the next four years. Building on Lewisham's historic values of fairness, equality and putting our community at the heart of everything we do, the Council will create deliverable policies underpinned by a desire to promote vibrant communities, champion local diversity and promote social, economic and environmental sustainability. Delivering this strategy includes the following priority outcomes that relate to the provision of new affordable homes:

- Tackling the Housing Crisis – Providing a decent and secure home for everyone.

[1]

<http://councilmeetings.lewisham.gov.uk/documents/s61022/Draft%20Corporate%20Strategy%202018-2022.pdf>

- Building an Inclusive Economy – Ensuring every resident can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy.
 - Building Safer Communities – Ensuring every resident feels safe and secure living here as we work together towards a borough free from the fear of crime.
- 3.2. Homes for Lewisham, Lewisham's Housing Strategy (2015-2020)^[2], includes the following priority outcomes that relate to the provision of new affordable homes:
- Key Objective 1 – Helping residents in times of severe and urgent housing need.
 - Key Objective 2 – Building the homes our residents need.
 - Key Objective 4 – Promoting health and wellbeing by improving our resident's homes.

4. Background

- 4.1. Since the beginning of 2016 the Council has been working with residents on the Achilles Street Estate to create redevelopment proposals that look at how the estate could be rebuilt to provide new council owned homes for social rent, new homes for all existing residents, and new space for businesses.
- 4.2. On 18 September 2019 Mayor and Cabinet agreed that a resident ballot for estate regeneration should be held on the Achilles Street Estate to determine if the redevelopment proposals should go ahead.
- 4.3. The resident ballot ran from Friday 18 October through till Monday 11 November, and all residents who were eligible to vote, based on the criteria set out by the GLA, were given the opportunity to vote on the Achilles Street Estate regeneration proposal.
- 4.4. All eligible residents were sent a Landlord Offer from the Council that provided details of how they will be affected by the regeneration, the new homes they would receive, and how they could be involved in the design of the new estate. The Landlord Offer was based on extensive engagement with residents on the estate, and provided the best possible offer for council tenants, resident leaseholders and families in temporary accommodation on the Achilles Street Estate. The primary aim of the redevelopment proposed for the Achilles Street Estate is to increase the amount of Council owned homes for social rent, but the proposal also seeks to address current issues around accessibility (lack of lifts in some buildings and lifts that are too small for a wheelchair in others) and to provide modern facilities. The Landlord Offer was designed to enable the much-needed redevelopment to take place in a way that benefits all of the current residents.
- 4.5. 92% of eligible residents voted in the Achilles Street Estate resident ballot for estate regeneration. This represents 81 of 88 eligible voters on the estate. This is the highest turnout of any resident ballot for estate regeneration held to date, and is a positive reflection of how engaged residents on the estate are with deciding the future of their community.
- 4.6. Of the 81 residents who voted, 72.8% voted "Yes" in favour of regenerating the Achilles
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Street Estate. This means that 59 eligible residents support the redevelopment proposals.

5. Project Progress

- 5.1. On 12 December 2018 Mayor and Cabinet agreed to a budget to commence the voluntary buyback of leasehold properties and commercial land within the proposed site boundary. This budget reflected a proportion of the overall expected budget and was to be used to kick start the land assembly of the site.
- 5.2. At the time of writing this report, the Council has purchased 4 of the 33 privately owned flats on the Achilles Street Estate and terms have been agreed on a further 2 properties. All of the properties purchased are being used for temporary accommodation. The Council has also completed on the ending of the lease on a commercial unit and is in active negotiations with other commercial owners.
- 5.3. Following the outcome of the estate ballot (as outlined in section 4), Lewisham Homes are now leading the Achilles Street regeneration development on behalf of Lewisham Council and have been working closely with estate residents on the next steps (subject to consideration of the outcome of the s105 consultation by Mayor and Cabinet). As well as traditional forms of contact such as telephone calls, newsletters, letters and emails, Lewisham Homes have found innovative ways to continue to engage with residents through the period of lockdown due to the Covid-19 pandemic. This has included using virtual technology to continue to meet 'in person' and to deliver training sessions.
- 5.4. This work has seen nine 'champions' from the community come forward including a youth representative. These residents have undertaken various training sessions in order to enable them to understand the processes required for the development to take place as well as to assist with key decisions. Training sessions undertaken include Design Development, Procurement and the Council decision making process. This training is designed to put residents at the heart of the development, making key decisions such as selecting the architect who will be designing the scheme as well as having an understanding of why and how decisions are made.
- 5.5. These champions have virtually met with other residents from regeneration estates across London and Independent Tenant and Leaseholder Advisors to develop their understanding of regeneration processes and to receive advice from their experiences. The Champions have worked collaboratively with Lewisham Homes to develop the terms of reference and code of conduct for the Achilles Resident Steering Group which will be established shortly. The Achilles Estate Residents' Steering Group will ensure meaningful resident consultation and effective participation in decision-making on all aspects of appraising and implementing the redevelopment proposal for their estate. The Champions supported by Lewisham Homes have held virtual 'drop in' or 'call in' sessions in May to allow their neighbours on the estate to meet them and advertise the Steering Group application process.

6. Section 105 consultation

- 6.1. 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.
- 6.2. On Tuesday 17 March 2020 a letter was hand delivered to all 47 secure tenants on the

Achilles Street estate allowing 28 days for their observations or comments to be received. The letter set out the Council's proposals for the redevelopment of the estate, explained that the existing properties on the estate would need to be demolished and asked tenants for their views on the proposals. A copy of the letter is appended as Appendix A.

- 6.3. At the closing of the consultation period a total of 2 responses had been received from secure tenants. This represents a 4% response rate. A further response was received after the closing.
- 6.4. Whilst this is a low response rate, it should be noted that there has been extensive resident consultation on the Achilles Street Estate prior to the estate ballot. The Landlord Offer contained all of the information in the s105 consultation and as outlined in 4.5, 92% of all eligible residents cast a vote. The s105 consultation is a separate requirement to the estate ballot requirement and the two cannot be combined.
- 6.5. All three of the responses received were considered to be positive in relation to the redevelopment proposal. The following are quotes from each of the responses:
 - "It's a development that is overdue. An increase in homes is a good idea, its all good if it gets people of the waiting list."
 - "I am all for the regeneration of Achilles Street for two reasons; 1. The development will build some much needed homes for the area. 2. Achilles Street will finally get the love, care and attention that it deserves."
 - "I would like the building to be redeveloped as it provides more spacing; help with pest infestation and ongoing mould which I've been told is from the walls."
- 6.6. The full responses received and the Council's replies (redacted to protect identities) are available on request.
- 6.7. Officers are continuing to communicate regularly with residents about the redevelopment and how the scheme is progressing. There will be many more future opportunities for consultation and information sharing as the designs are developed and when the planning application is submitted and in future years as detailed planning approvals are required.
- 6.8. Officers recommend that the Mayor and Cabinet note the outcome of the s105 consultation and agree to continue with the redevelopment of the Achilles Street Estate.

7. Demolition Notices

- 7.1. The current maximum Right to Buy discount is £112,300, available to secure tenants that wish to buy their council homes. Right to Buy presents a risk to redevelopment schemes as the Council is required to buy back leasehold or freehold interests granted under the Right to Buy in order to proceed with the scheme. An increase in the amount of leaseholders, would increase the cost of the scheme and potentially could make it financially unviable.
- 7.2. Officers are therefore seeking approval to serve Initial Demolition Notices on all secure tenants to suspend any current or future Right to Buy applications from completing. This is standard practice in regeneration schemes. The Initial Demolition Notice is required to contain certain prescribed information including a statement that the landlord intends to demolish the property, the reasons for this and the period within which the demolition will take place. Once the proposed demolition date is actually known, the Council can then serve a Final Demolition Notice which renders all existing right to buy applications ineffective and prevents any further right to buy applications

being made.

- 7.3. As the final phasing and forecast construction schedule are not yet confirmed, officers request that the decision on when to serve the Initial Demolition Notices is delegated to the Executive Director for Housing, Regeneration and Environment in conjunction with the Head of Law.
- 7.4. Officers will return to Mayor and Cabinet once demolition dates are confirmed, for a further decision on serving the Final Demolition Notices.

8. Future Lettings

- 8.1. The commitments in the Landlord Offer for the proposed Achilles Street Estate development apply only to secure tenants, resident leaseholders and temporary households (to whom the Council has accepted a homeless duty) who were resident at the time of the ballot. This provides certainty for the architects and officers on the size and types of new homes that need to be built.
- 8.2. Over the period of time between the ballot and the new homes being available, some of those eligible households will no longer be resident on the estate, thereby creating a vacant (void) property.
- 8.3. Where a vacant property is suitable for re-letting, the Council will seek to use it as temporary accommodation for a homeless household. The temporary letting would not acquire any of the commitments in the Landlord Offer and this will be made clear to the resident at the commencement of their tenancy.
- 8.4. Where the Council has accepted a full homeless duty to a homeless household who is not eligible to be offered a property on the rebuilt estate, that household will be made an offer of suitable alternative housing at the time that full vacant possession is required to commence demolition.

9. Full Housing Assessments

- 9.1. Leading up to the Estate Regeneration Ballot, officers conducted interviews with residents.
- 9.2. The interviews were informal, giving officers an opportunity to discuss residents' preferences in terms of the proposed redevelopment scheme as well as an opportunity to collate information on household make-up, vehicle ownership and whether residents wished to remain on the estate or would like to move to another part of the borough.
- 9.3. This information was used in part to bring forward the commitments made to residents in the Landlord Offer.
- 9.4. Full housing assessments, which would require providing proof of occupancy, proof of vehicle ownership and property preferences, were not carried out and not all residents could be interviewed.
- 9.5. Completing full housing assessments with tenants and leaseholders now would enable officers and residents to further develop the plans when an architect has been appointed. The confirmed information will allow for architects to design a scheme that will meet all of the commitments made to residents. In addition, completing a housing assessment now will confirm other rehousing priorities, such as overcrowding, under-occupation, medical needs which would result in an active housing application whereby the resident could bid for another property through Lewisham Homesearch should they wish.
- 9.6. Where there is currently no rehousing priority, the application will be held until the 'Decant priority' is applied or the households circumstances change and a rehousing priority becomes applicable. Officers will return to Mayor and Cabinet to recommend

the awarding of 'decant priority' at the appropriate time.

10. Discretionary Home Loss and disbursement payments

- 10.1. As outlined in the Landlord Offer, secure tenants who are decanted as a result of the will be entitled to a statutory Home Loss compensation payment (currently £6,400) and be able to claim a disbursement payment for other reasonable expenses such as reconnections, mail forwarding and removal costs. As outlined in 9.6, officers will return to Mayor and Cabinet to recommend commencing the official decant in the future and for authority where necessary to serve Notice of Seeking Possession.
- 10.2. In the meantime, some secure households may move to another social housing property for other rehousing reasons. Officers recommend that these residents receive a discretionary payment equivalent to the statutory home loss payment and reasonable disbursement costs at the time of their move and upon providing vacant possession of their Achilles Street estate property.
- 10.3. This will ensure that residents who have a need to move and wish to move are not disincentivised by not receiving a payment that they would be entitled to if they remained in their unsuitable housing until the decant officially commences.
- 10.4. As outlined in 8.3, the Council will seek to use any property vacated by a secure tenant as temporary accommodation for a homeless household.

11. Exercise of discretion of the Housing Needs Manager

- 11.1. The Council's current Allocations Scheme provides the Housing Needs Manager discretion to increase the priority of an individual application. Section 3.2 of the Lewisham Housing Allocations Scheme states:
"....In exceptional circumstances, the Housing Needs Manager may in the exercise of their discretion increase the priority awarded to your application or vary the type of accommodation you may be considered for, based on the exceptional circumstances of your case. They may only do so where this would be in accordance with the objectives and spirit of the Lettings Policy. The Housing Needs Manager's decision will be final....."
- 11.2. The Allocations Scheme works alongside the Annual Lettings Plan which specifies that certain properties are advertised in Lewisham Homeseach with specific criteria for allocation. One of these specific criteria is that decanting residents will receive a priority for a certain percentage of overall lettings.
- 11.3. The Council and our housing partners have numerous active decant schemes where secure tenants already have a 'decant preference' on their housing applications. However, there are occasions where there are no active decant residents who need a particular property type that is offered with a decant preference under the Annual Lettings Plan.
- 11.4. Moving forward, where there is no identified need for an active decant application for a particular property type that is made available via the Annual Lettings Plan, but there is a household on the Achilles Street estate that would be suitable, officers will prepare and present a case to the Housing Needs Manager for the use of their discretion.
- 11.5. The Landlord Offer outlines the commitments to households in temporary accommodation who already have a priority under the Allocations Scheme.

12. Financial implications

- 12.1. The financial implications are contained within the accompanying Part 2 report.

13. Legal implications

- 13.1. The Housing Act 1985 contains a statutory procedure for the service of Initial and Final Demolition Notices by authorities. Broadly, the effect of the service of Initial Demolition Notices on secure tenants is to suspend the requirement for the Council to complete right to buy applications for as long as the notice remains in force. The Initial Demolition Notice (IDN) is required to contain certain prescribed information including a statement that the landlord intends to demolish the property, the reasons for this and the period within which the demolition will take place, which must be a reasonable period expiring not more than 7 years after the date of service of the IDN on the tenant. As the final phasing and forecast construction schedule which will inform the period within which demolition is expected to take place are not yet confirmed, officers are therefore requesting that the decision on when to serve the Initial Demolition Notices is delegated to the Executive Director for Housing, Regeneration and Environment in conjunction with the Head of Law. The IDN does not prevent tenants from making right to buy applications. However, the effect of the IDN is that the Council is not required to complete any right to buy applications within the period specified in the IDN. In the event that the IDN expires before the demolition has taken place, the consent of the Secretary of State would be required to serve a IDN. Tenants with existing right to buy claims at the time the IDNs are served are entitled to claim compensation for legal and other fees, costs and expenses (e.g. survey fees) incurred prior to the IDNs coming into force.
- 13.2. Once the proposed demolition date is actually known, the Council can then serve a Final Demolition Notice which renders all existing right to buy applications ineffective and prevents any further right to buy applications being made. Again, compensation will be payable to Tenants with existing right to buy claims at the time the Final Demolition Notices are served. Officers will seek approval from Mayor and Cabinet prior to serving Final Demolition Notices.
- 13.3. Section 84 of the 1985 Act provides that the Court shall not make a possession order of a property let on a secure tenancy other than on one of the grounds set out in Schedule 2 to the Act, the relevant ground in this case being Ground 10. Ground 10 applies where the local authority intends to demolish the dwelling house or to carry out work on the land and cannot reasonably do so without obtaining possession. The demolition works must be carried out within a reasonable time of obtaining possession. Where the Council obtains possession against a secure tenant it is required to provide suitable alternative accommodation to the tenant. This is defined in the 1985 Act and requires consideration of the nature of the accommodation, distance from the tenants' family's places of work and schools, distance from other dependant members of the family, the needs of the tenant and family and the terms on which the accommodation is available. In accordance with the Land Compensation Act 1973, secure tenants will be entitled to statutory home loss and disturbance payments where possession orders under Ground 10 are made. The Land Compensation Act 1973 also provides for these payments to be made on a discretionary basis where the secure tenant gives possession by agreement rather than requiring a possession order to be obtained.
- 13.4. The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 13.5. 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.
- 13.6. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed at 9.3 above.
- 13.7. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 13.8. 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:
- <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>
- <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

14. Equalities implications

- 14.1. An Equalities Analysis Assessment for the Landlord Offer for people on the Achilles Street Estate that is part of the Resident Ballot for Estate Regeneration has been completed and is attached to this report as Appendix B.
- 14.2. Equalities impact assessments are carried out for projects within the regeneration programme for Achilles and the main development programme

15. Climate change and environmental implications

- 15.1. The majority of properties on the estate would benefit from improvements to insulation and modern methods of heating and climate control. The new homes to be built will meet the current standards and will benefit from modern technologies that will make them more efficient. Lewisham Homes will be appointing an MEP and Sustainability Consultant and the Steering Group who will have sustainability training to collaborate to

address the carbon neutral ambitions and ensure homes that are affordable to build, maintain, manage and live in.

16. Crime and disorder implications

- 16.1. There are no specific crime and disorder implications specifically arising from this report. The new build homes will have improved and modern security features and architects will be briefed to minimize future potential crime through better design.

17. Health and wellbeing implications

- 17.1. As outlined in 4.4, accessibility to the current buildings is restricted for some members of the community with lifts not being present in some buildings and lifts in other buildings not being able to accommodate wheelchairs. The new homes to be built will be accessible for all residents.
- 17.2. The new estate will have redesigned functioning public spaces to replace the current areas which are underused and poorly designed.

18. Report author and contact

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