

	<b>MAYOR AND CABINET</b>		<b>Item no.</b>
<b>Report Titles</b>	Demolition of 57-242 Lethbridge Close		
<b>Key Decision</b>	Yes		
<b>Ward</b>	Blackheath		
<b>Contributors</b>	EXECUTIVE DIRECTOR FOR CUSTOMER SERVICES, EXECUTIVE DIRECTOR FOR RESOURCES & REGENERATION, HEAD OF LAW		
<b>Class</b>	Part 1	Date	28 February 2018

## 1. Summary

- 1.1. On 25<sup>th</sup> June 2003 Mayor and Cabinet agreed the proposal to expand the Council's established estates regeneration programme to include Heathside and Lethbridge. On 9<sup>th</sup> 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 22<sup>nd</sup> 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. All residents in Phases 1 – 4 have been re-housed. New homes have been completed on Phases 1 -3 with the construction of Phase 4 ongoing. The decant of Phases 5 (57-190 Lethbridge Close) and 6 (191-242 Lethbridge Close) is well established and is now nearing completion.

## 2. Purpose of Report

- 2.1 To update Mayor and Cabinet on the progress of the Heathside and Lethbridge Regeneration Scheme and the current position in relation to Phases 5 and 6.
- 2.2 To seek authority to grant a licence to Family Mosaic to demolish the blocks comprising of the properties 57-242 Lethbridge Close in preparation for the construction of new homes once vacant possession of Phases 5 and 6 has been obtained by the Council.
- 2.3 To note that a further report will be considered by Mayor and Cabinet in due course to agree the Project Brief for Phases 5 and 6 and the terms of the transfer to Family Mosaic.

## 3. Recommendations

It is recommended that the Mayor:

- 3.1 notes the progress of the Heathside and Lethbridge Regeneration Scheme and the

current position in relation to Phases 5 and 6 as set out in this report;

- 3.2 agrees to grant a licence to Family Mosaic on the terms set out in this report to demolish the blocks in Phases 5 and 6 (comprising 57-106 Lethbridge Close, 107-134 Lethbridge Close, 135-162 Lethbridge Close, 163 – 190 Lethbridge Close, 191 – 218 Lethbridge Close and 219 – 242 Lethbridge Close) as soon as vacant possession of Phases 5 and 6 has been obtained by the Council;
- 3.3 delegates authority to the Head of Law to finalise the terms of the demolition licence with Family Mosaic; and
- 3.4 notes that once detailed planning permission for Phases 5 and 6 has been obtained by Family Mosaic, a further report will be brought to Mayor and Cabinet in due course to agree the final Project Brief for Phases 5 and 6 and the final terms of transfer of the land to Family Mosaic.

#### **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 Housing Strategy 2015-2020; Helping residents at times of severe and urgent housing need, building the homes our residents need, greater security and quality for private renters and, promoting health and wellbeing by improving our residents' homes.
- 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/GLA 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.

- 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. Summary of progress to date – Phases 1 - 4**

- 5.1 The Council has an overarching Development Agreement in place with Family Mosaic for the whole scheme which includes a bespoke financial model.
- 5.2 Family Mosaic have outline Planning permission for the overall scheme and are required to seek detailed Planning approval for each Phase. A building contractor is sought by Family Mosaic for each Phase.
- 5.3 The structure of the scheme is that the Council forward funds the cost of obtaining vacant possession of the site and these costs are reimbursed by Family Mosaic. To date the land assembly costs have been paid for Phases 1 – 4. The same will happen for Phases 5 and 6 which are the final phases of the scheme.
- 5.4 Of the 306 homes for social rent currently built, around 210 are occupied by residents of the original Heathside and Lethbridge estate. Nine resident leaseholders have bought into the development through shared equity.
- 5.5 Phase 1: 138 homes were built between August 2010 and October 2012. This includes 80 homes for social rent, the rest being for sale and shared ownership.
- 5.6 Phase 2: 190 homes were built between January 2011 and April 2013, including 70 for social rent. Of these, 50 form a designated over 55's block designed to replace an over 55's block on the original estate.
- 5.7 Phase 3: 218 homes were built between August 2013 and December 2017. This includes 102 homes for social rent, the rest being for sale and shared ownership.
- 5.8 Phase 4: Building work on 236 new homes commenced in July 2015. The first homes under Phase 4A are now available and are in the process of being occupied. Phase 4A includes 169 units made up of 54 for social rent, 4 for shared equity and 111 private rent. The homes in Phase 4B have been delayed due to an issue with a build over agreement with Thames Water. These new homes are now scheduled to be available from July 2018. Phase 4B contains 67 units, all of which are for social rent.

## **6 Phases 5 and 6**

- 6.1 Phases 5 and 6 currently comprises of 6 blocks on Lethbridge Close - 57-106 Lethbridge Close, 107-134 Lethbridge Close, 135-162 Lethbridge Close, 163 – 190 Lethbridge Close, 191 – 218 Lethbridge Close and 219 – 242 Lethbridge Close - and represent the final phases of the regeneration of the Heathside and Lethbridge estate.
- 6.2 Lethbridge Close has a number of problems in terms of its design and condition. Like the other blocks on the Estate which have already been demolished for Phases 1, 2, 3 and 4, these blocks would have needed a range of repairs and improvements in order to meet the Decent Homes Standard and further improvements to modernise the block to a desirable standard.

Elements needing repair or replacement:

- wiring
- boilers
- kitchens
- bathrooms
- communal and external repair and decoration
- lifts
- structural strengthening

- 6.3 Officers have been decanting Phase 5 secure tenants since August 2015 and commenced a leaseholder buyback programme in November 2015. Initially, vacant properties were used for temporary accommodation or property guardians to ensure that they remain in use for as long as possible.
- 6.4 As reported previously, vacant possession for Phase 5 has been programmed for early 2018. Of the 132 residential properties in Phase 5, 112 are now empty and have been decommissioned. Officers are working with the 20 remaining residents, 14 of whom are expected to move into new build properties within the next fortnight. A further 4 have offers of alternative accommodation. Officers are continuing to work with the remaining 2 residents.
- 6.5 Officers have been decanting Phase 6 secure tenants since August 2015 and commenced a leaseholder buyback programme in November 2015. As with Phase 5, vacant properties were initially used for temporary accommodation or property guardians to ensure that they remain in use for as long as possible.
- 6.6 Of the 52 residential properties in Phase 6, 38 are now empty and have been decommissioned. Officers are working with the 14 remaining residents, 5 of whom are expected to move into new build properties within the next fortnight. A further 4 have offers of alternative accommodation. Officers are continuing to work with the remaining 5 residents/owners. 4 of these are leaseholders. A General Vesting Date has been set for 30<sup>th</sup> March 2018.
- 6.7 As reported previously, vacant possession for Phase 6 has been brought forward by two years and programmed for the Summer 2018. The bringing forward of the Phase 6 site has allowed Family Mosaic to consider Phases 5 and 6 together.

- 6.8 As with previous phases, detailed planning permission is required for each phase. Whilst ultimately the bringing together of Phases 5 and 6 will deliver the new homes earlier than previously forecast by approximately 1 year, preparing for a combined application has caused a delay in the submission. Family Mosaic are now preparing to submit a combined application for Phases 5 and 6 in the Spring 2018.
- 6.9 To minimise the impact on the overall programme, Family Mosaic are prepared to carry out the demolition of the remaining Lethbridge Close blocks in advance of receiving detailed planning permission for Phases 5 and 6. Demolition will be carried out on both phases at the same time.
- 6.10 The demolition will be subject to separate planning permission being obtained by Family Mosaic. If agreed, demolition will be carried out under licence and will be funded directly by Family Mosaic and at their own risk.

## **7. Financial Implications**

- 7.1 There are no direct financial implications arising from the contents of this report.

## **8. Legal Implications**

- 8.1 There are no specific legal implications associated with the recommendations in this report.

## **9 Environmental Implications**

- 9.1 The demolition contractor will be required to ensure that they adhere to the Council's Good Practice Guide -Control of pollution and noise from demolition and construction sites as well as all relevant legislation.

## **10. Crime & Disorder Implications**

- 10.1 Empty properties can attract crime, vandalism and other anti-social behaviour. Demolishing the empty blocks on Lethbridge Close at the earliest possible opportunity will significantly reduce the potential for crime and anti-social behaviour and as a result will benefit the wider community.

## **11. Equality Implications**

- 12.1 There are no equalities implications arising from this report.

## **13. Background papers and author**

Title Document	Date	Location
The re-development of Heathside and Lethbridge – initial funding requirements	Mayor and Cabinet June 2007	5th Floor Laurence House
The next four regeneration schemes update	Mayor and Cabinet 9 <sup>th</sup> June 2004	5th Floor Laurence House

Title Document	Date	Location
Housing Investment Strategy: The way forward and The Housing Investment Strategy: Covering Report	Mayor and Cabinet 17 <sup>th</sup> September 2003	5 <sup>th</sup> Floor Laurence House
The next four regeneration schemes	Mayor and Cabinet 25 <sup>th</sup> June 2003	5 <sup>th</sup> Floor, Laurence House
Heathside and Lethbridge Phase 6	Mayor and Cabinet 19 <sup>th</sup> October 2016	5 <sup>th</sup> Floor, Laurence House
Proposed London Borough of Lewisham (Heathside and Lethbridge Estate, Lewisham – Phase 6) Compulsory Purchase Order 2017	Mayor and Cabinet 1 <sup>st</sup> March 2017	5 <sup>th</sup> Floor, Laurence House

19.1 For more information on this report please contact James Ringwood, Strategic Housing on 020 8314 7944.