

<b>Mayor and Cabinet</b>			
<b>Report Title</b>	Achilles Street Landlord Offer for an Estate Regeneration Ballot		
<b>Key decision</b>	Yes	<b>Item No</b>	
<b>Wards</b>	New Cross		
<b>Contributors</b>	Executive Director for Housing, Regeneration & Environment, Executive Director for Corporate Services, Director of Law		
<b>Class</b>	Part 1	<b>Date</b>	18 September 2019

## **1 Reason for Lateness and Urgency**

- 1.1 This report is late owing to the need to finalise the proposed Landlord Offer and to ensure that Mayor & Cabinet are provided with the most up to date information possible.
- 1.2 The report is urgent and cannot wait until the next meeting of the Mayor & Cabinet meeting as this would cause significant delay to the publishing of Landlord Offer which in turn would delay the holding of a resident ballot for estate regeneration.
- 1.3 Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b)(4) the Chair of the Committee can take the matter as a matter of urgency if he is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

## **2 Summary**

- 2.1 In December 2018 Mayor and Cabinet agreed that officers should work with residents on Achilles Street to establish a Landlord Offer that will enable a Resident Ballot on the Achilles Street redevelopment proposals to take place and agreed that the Landlord Offer will be presented back to Mayor and Cabinet to be finalised;
- 2.2 This report is in two parts. This Part 1 report sets out the principles of the Landlord Offer, explains how the Resident Ballot for Estate Regeneration will work on the Achilles Street Estate and sets out the next steps. The Part 2 report provides commercially sensitive updated information on the estimated land assembly costs, updated viability modelling for the redevelopment, and the budgets required to develop the designs to the point where a planning application

can be made

- 2.3 This report also sets out the Equalities Implications of the Landlord Offer that is proposed.

### **3 Recommendations**

It is recommended that Mayor and Cabinet:

- 3.1 Note and consider the Equality Analysis Assessment attached as **Appendix B**
- 3.2 Agree that the text of the Achilles Landlord Offer attached as **Appendix A**, should form the Council's offer to residents on the Achilles Street Estate;
- 3.3 Agree that a resident ballot for estate regeneration should be held on the Achilles Street Estate as set out in section 6 of this report,
- 3.4 Subject to recommendations 3.2 and 3.3 being agreed, delegate authority to the Executive Director of Housing, Regeneration & Environment to agree any minor amendments and the graphic design of the Landlord Offer and to set the date of the resident ballot for estate regeneration on the Achilles Street Estate;
- 3.5 Subject to recommendations 3.2 and 3.3 being agreed, and the resident ballot for estate regeneration resulting in a "yes" vote agrees the budgets requirements set out in Part Two of this report.

### **4 Policy Context**

- 4.1 Lewisham's Housing Strategy was approved at Full Council in May 2015. This strategy sets out the Council's ambition to address the challenges in the borough through the following objectives:
- Helping residents at times of severe and urgent housing need
  - Building the homes our residents need
  - Greater security and quality for private renters
  - Promoting greater quality in the social and private rented sectors
- 4.2 Lewisham's Core Strategy has the objective to make provision for the completion of an additional 18,165 net new dwellings from all sources between 2009/10 and 2025/26, to meet local housing need and accommodate the borough's share of London's housing needs. This aims to exceed the London Plan target for the borough. The Core Strategy also has the objective to make provision to meet the housing needs of Lewisham's new and existing population, which will include:
- the provision of affordable housing
  - a mix of dwelling sizes and types, including family housing
  - lifetime homes, and specific accommodation to meet the needs of an ageing population and those with special housing needs
  - bringing vacant dwellings back into use
- 4.3 This report also contributes to the specific objective in the Corporate Strategy 2018-2022:

- To deliver 1,000 new social homes.

## **5 Background**

- 5.1 The 12 December 2018 Mayor and Cabinet report set out the extensive background of the Achilles Street redevelopment proposal and how residents have been engaged in the process so far.
- 5.2 The main aim of the redevelopment proposals for the Achilles Street Estate is to deliver a substantial increase in the amount of Council owned homes for social rent, but redevelopment also means that new high-quality homes can be provided for the existing residents on the estate, as well as new and improved public spaces and new commercial space for local businesses. Design work has been completed so far that demonstrates that this is achievable, but further work is required before any plans can be finalised.
- 5.3 The 12 December 2018 Mayor and Cabinet report also agreed that officers should work with residents and other key stakeholders on Achilles Street to begin to establish a Landlord Offer that will enable a Resident Ballot on the Achilles Street redevelopment proposals to take place and that the Landlord Offer be presented back to Mayor and Cabinet to be finalised, and to set the date for a Resident Ballot;
- 5.4 Since the Mayor and Cabinet in December Council officers have been engaging with residents on the Achilles Street Estate; arranging home visits, carrying out regular door-knocking and, from the beginning of June 2019, holding weekly drop-in meetings on the estate to understand resident's feelings about the redevelopment proposals to inform the Landlord offer.
- 5.5 The offer to all residents on the Achilles Street Estate is explained in more below, and has been designed to fulfil the five commitments made to residents on the estate from the start of the working with them to develop redevelopment proposals, the draft principles of Lewisham Residents' Charter for Estate Regeneration, and to directly address any concerns raised through the course of the ongoing engagement.
- 5.6 The commitments we have made to residents consistently since the Council began investigating the best way to deliver new Council owned homes for social are:
- All current council tenants who wish to stay in the new development will be able to do so with the same rent levels and tenancy conditions that they have today;
  - Any resident leaseholder who wishes to will be able to remain in home ownership on the new development
  - We will build as many new council homes as possible, to be let at social rent levels
  - In addition to new council homes, more affordable homes of other types, such as shared ownership, could also be provided when any additional homes are built.
  - All affected businesses will have the opportunity to take some of the new

commercial space created if the redevelopment goes ahead.

- 5.7 For clarity, the term “same rent levels” used in the first commitment means that council tenants who currently live on the Achilles Street Estate will continue to pay social rent which will be the same amount in their new property as they pay in their current property. The rent they pay will not change as a result of the redevelopment. Their rent would only be different if their new property has a different number of bedrooms, for example if they are currently overcrowded and are rehoused into a bigger home. Any change because of additional bedrooms will still be linked to what rent would currently be paid in an equivalently sized property on the current estate. The rent in the new property will also be subject to the same annual increases that their old property was.
- 5.8 The proposals have been designed with these commitments in mind. With the phasing of the redevelopment and building on the garage area first as part of an overall strategy for the area, so that it is possible to build a block into which existing residents could move before any wider demolition takes place. The intention is for this block to be built and owned by the Council to enable the commitments in relation to existing tenants and leaseholders to be met.
- 5.9 The Landlord Offer is based on the commitments already made to residents, but goes further to provide the best possible offer for council tenants, resident leaseholders and families in temporary accommodation on the Achilles Street Estate. The aim of the redevelopment proposed for the Achilles Street Estate is to increase the amount of Council owned homes for social rent, and this offer enables the much-needed development to take place in a way that benefits all of the current residents.

## **6 Holding a Resident Ballot for Estate Regeneration**

- 6.1 In July 2018 the GLA introduced a funding condition that required that a resident ballot for estate regeneration is held before any homes on estates are demolished where the intention is to build more than 150 new homes.
- 6.2 Lewisham Council adopted the requirement to hold resident ballots for estate regeneration in October 2018, but went further and made holding a resident ballot a requirement if any existing social homes are demolished, regardless of how many new homes are intended to be built.
- 6.3 For residents to make an informed choice about whether they should accept or reject the redevelopment proposals, the Council is required to prepare a landlord offer to residents that sets out how they will be affected by the redevelopment and the wider benefits it will bring.
- 6.4 As set out in the GLA funding condition on resident ballots, an offer to residents must contain:

- The broad vision, priorities and objectives for the estate regeneration, including information on:
  - Design principles of the proposed estate regeneration.
  - Estimated overall number of new homes.
  - Future tenure mix.
  - Proposed associated social infrastructure.
- Details of the full right to return or remain for social tenants living in homes that are to be demolished.
- Details of the offer for leaseholders and freeholders of homes that are to be demolished.
- Commitments relating to ongoing open and transparent consultation and engagement.

6.5 The proposed Landlord Offer for residents on the Achilles Street Estate is attached as **Appendix A**. All of the principles presented in the attached offer will stay the same, but before the offer is formally published and presented to residents there will be some additional work to ensure that the text offer is written in a clear, concise and understandable way and additional explanatory images will be added.

6.6 For this reason Mayor and Cabinet are asked to delegate authority to the Executive Director of Housing, Regeneration & Environment to agree any minor amendments to the Landlord Offer, so long as it is line with principles of the attached draft offer, to agree the final graphic design of the offer, and once the offer is finalised, to set the date of the resident ballot for estate regeneration on the Achilles Street Estate. Any changes will be made following consultation with the Cabinet Member for Housing.

6.7 The process for holding the Resident Ballot for Achilles Street Estate has been designed to comply with GLA guidance and based on advice from Electoral Reform Services who have been appointed as the independent body that will be conducting the ballot.

6.8 Once the Landlord Offer is agreed it will be published and delivered to all residents who are eligible to vote on the Achilles Street Estate. There will then be a period of 14 days for residents to consider the offer before the ballot starts. The ballot will then run for 24 days, 3 days longer than the 21 day minimum to allow additional time for postal votes to arrive. After the ballot closes, all residents on the Achilles Street Estate will be informed by letter of the result within 7 days of the ballot closing.

6.9 The table below sets out the indicative timetable for the Resident Ballot for Estate Regeneration on the Achilles Street Estate:

<b>Resident Ballot Milestone</b>	<b>Predicted Timeframe</b>
Landlord Offer Published and Delivered to Residents	Autumn 2019

Landlord Offer Consideration Period	14 days
Ballot Period	24 days
Results Issued to Residents	Within 7 days

## 7 Update on Resident Engagement on the Achilles Street Estate

- 7.1 A summary of all resident consultation and engagement with residents on the Achilles Street Estate prior to December 2018 was attached as an appendix the report that was presented to Mayor and Cabinet on 12<sup>th</sup> December 2018.
- 7.2 Following the Mayor and Cabinet report agreeing that officers could consult with residents to establish an appropriate landlord offer, Council officers began arranging individual visits for all Council tenants, leaseholders, and those in temporary accommodation on the Achilles Street Estate.
- 7.3 Between January and June 2019 these visits were conducted, with many residents visited twice, and discussions were held around what residents would like to see in the Landlord Offer, based on the commitments already made.
- 7.4 These visits provided a good opportunity to answer any questions residents on the estate had about the ballot process and helped shape the key principles that make up our offer to residents on the Achilles Street Estate.
- 7.5 Following these visits the Council organised an open ongoing resident engagement sessions called *Bring it to the Table*. These sessions are held every Wednesday from 2pm till 8pm in a community room on the Achilles Street Estate.
- 7.6 Food, drink, and activities for children are provided in an informal setting, where residents can pop in for a chat with officers from the Council and Lewisham Homes to discuss how they feel about the proposals to redevelop the estate and any issues they are having with the current estate.
- 7.7 The sessions have been running every week since the beginning of June, and provide a forum for discussion, and an opportunity for different residents on the estate to meet and talk about their own individual perspectives on their housing situation, and what they would like to see as part of the Landlord Offer.
- 7.8 A portion of the weekly sessions have been focused on specific issues such how a Resident Steering Group will be involved in shaping the design of the new estate if there is a yes vote in the resident ballot. However, the majority of sessions are unstructured, to create an atmosphere where the residents themselves lead the discussions that take place. This has had the effect of breaking down any perceived barriers to engaging with the Council.
- 7.9 The *Bring it to the Table* sessions have been very effective and will continue through the lead-up to the resident ballot and during the period in which the ballot takes place, to provide a consistent place where residents can ask any questions

about the offer document and the ballot.

7.10 Future sessions will involve Electoral Reform Services running a Q&A session on how the practicalities of the ballot will work for residents, and trips organised to look at other examples of newly built social housing in Lewisham so that residents can get a better idea of what the new estate will be like.

7.11 The principles of the Achilles Street Estate Landlord Offer have been based on extensive and ongoing engagement with residents on the Achilles Street Estate to ensure that they address as many concerns raised as possible, and mean that the fantastic community that exists on the estate will benefit from new homes being built for them and other families in housing need.

## 8 Principles of the Achilles Street Estate Landlord Offer

8.1 The advanced draft of the Landlord Offer for residents on the Achilles Street Estate is attached to this report as **Appendix A**. The main principles of the offer that will be made to residents are summarised below.

Eligible Resident	Summary of Offer
Council Tenants	<ul style="list-style-type: none"> <li>- All council tenants will be offered a new council owned home on the rebuilt estate.</li> <li>- In nearly all cases the new homes will have the same number of bedrooms as their current homes.</li> <li>- If the resident is currently overcrowded, then they will be offered a home that is the right size for their family.</li> <li>- Rent levels will be the same as if the estate had not been developed.</li> <li>- They will receive a statutory Home Loss compensation payment and all reasonable moving costs will be paid for.</li> </ul>
Residents in Temporary Accommodation	<ul style="list-style-type: none"> <li>- Residents in temporary accommodation on the Achilles Street Estate on the date that the Landlord Offer is published will be offered a new council owned home for social rent on the rebuilt estate.</li> <li>- The new homes will be the right size for their families.</li> <li>- Their reasonable moving costs will be paid for when they move into their new home on Achilles Street.</li> </ul>
Resident Leaseholders	<ul style="list-style-type: none"> <li>- All resident leaseholders will be offered a new home on the rebuilt estate</li> <li>- They will transfer the equity they have in their current property into their new home</li> <li>- They will be charged no rent if their new equity share is below the value of their new property.</li> <li>- They will receive 10% of the market value of their current property as a Statutory Home Loss compensation payment and all reasonable moving costs will be paid for.</li> </ul>

## 9 Updates to the Achilles Street Redevelopment Proposals

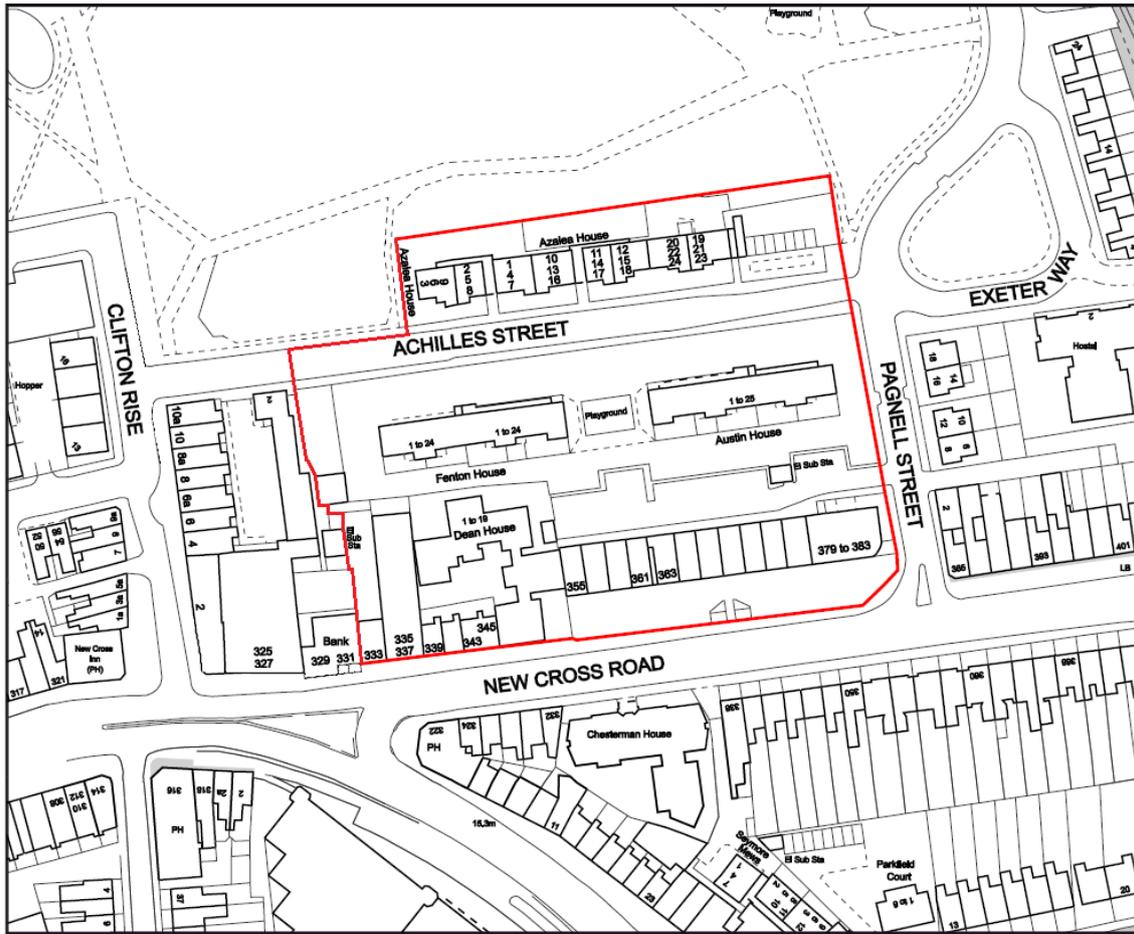
- 9.1 While there has been no substantial design work on the Achilles Street Redevelopment proposals since they were presented to Mayor and Cabinet in December 2018, there are a few changes in the assumptions made that are set out below.

### Exclusion of Clifton Rise

- 9.2 The Achilles Street Redevelopment proposals were previously based on a redline that included all of the businesses along Clifton Rise, the BWA Islamic Centre and a portion of land owned by the Venue along Achilles Street. All of this land is not currently within Council ownership and would have required the Council to purchase it.
- 9.3 This portion of the site did not deliver enough Council owned homes for social rent to justify the cost and delays to the programme that the complicated land assembly would likely entail. The aims of the Achilles Street Redevelopment Proposals can still be delivered on the remainder of the site, and the adjustment required to designs can be relatively easily addressed.

### The edge of Fordham Park

- 9.4 Another aspect of the design approach that has been revised from the previous designs was how the edge of Achilles Street interacted with the edge of the Achilles Street Estate.
- 9.5 The previous design aimed to open up the park more to residents on the Achilles Street Estate, by building a number of the new buildings slightly into the park, and making new park spaces between the new buildings. This approach was designed so that there was no net loss of park space, and although it would have resulted in the loss of some trees, an increased number of new trees would have been planted.
- 9.6 However, how this boundary works needs to be carefully reconsidered, and we will work closely with Achilles Street residents to re-design how the edge of Fordham Park works with the edge of the Achilles Street Estate, so that we can provide excellent public green space and an excellent new estate while minimising the impact on the environment.
- 9.7 Based on the above two changes the revised redline currently being considered for the Achilles Street Redevelopment proposals is:



## 10 Financial Implications

10.1 The full financial implications are set out in Part Two of this report.

## 11 Legal Implications

11.1 The Council has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. The existence of the general power is not limited by the existence of any other power of the Council which (to any extent) overlaps the general power. The Council can therefore rely on this power to carry out housing development and to act in an “enabling” manner with other housing partners.

11.2 The proposals referred to in this report are continuing to be developed. Detailed specific legal implications will be set out in subsequent reports to Mayor & Cabinet. 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. Section 105 specifies that a matter of Housing Management would include a new programme of maintenance, improvement or demolition or a matter which affects services or amenities provided to secure tenants 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. Section 105 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. For this reason, it will be necessary to carry out formal Section 105 consultation on these proposals at the appropriate time and for the Mayor to consider the response to the consultation before any proposal is implemented.

- 11.3 The basic statutory position is that secure tenants will be rehoused and 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. In addition, this report recommends that a Landlord Offer is approved that will enable a Resident Ballot on the Achilles Street redevelopment proposals to take place.
- 11.4 The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty) which replaced, broadened and expanded upon similar duties which already existed in relation to race, disability and sex. 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.
- 11.5 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.
- 11.6 The duty continues to be a “have due 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.
- 11.7 The Equality and Human Rights Commission has 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/publication-download/services-public-functions-and-associations-statutory-code-practice>

<https://www.equalityhumanrights.com/en/publication-download/technical-guidance-public-sector-equality-duty-england>

11.8 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

11.9 The essential guide provides an overview of the equality duty requirement 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:

<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance>

## **12 Crime and disorder implications**

12.1 The design for any new homes will incorporate recommendations from the police via the Secured by Design principles.

## **13 Equalities implications**

13.1 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 Environmental implications**

14.1 There are no environmental implications arising directly from the recommendations set out in this report.

## **15 Background Documents and Report Originator**

15.1 Achilles Street Redevelopment Proposals on the 12<sup>th</sup> December 2018:  
<http://councilmeetings.lewisham.gov.uk/documents/s61303/Achilles%20Street%20Redevelopment%20Proposals%20Part%201.pdf>

15.2 If you have any queries relating to this report please contact Osama Shoush on 020 8314 7692.

**Appendix A** – Achilles Street Landlord Offer

**Appendix B** – Equalities Analysis Assessment on the Landlord Offer