



Mayor and Cabinet

Report title: Excalibur land assembly & construction

Date: 10 June 2020

Key decision: Yes

Class: Part 1

Ward(s) affected: Whitefoot

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

Outline and recommendations

It is recommended that the Mayor:

- Notes the progress of the Excalibur Estate Regeneration Scheme as set out in this report;
- Notes the rationale for including the land at the former TMO office at 1 Baudwin Road and neighbouring property at 3 Baudwin Road in conjunction with the Excalibur Estate Regeneration Scheme;
- Agrees the inclusion of the land at the former TMO office at 1 Baudwin Road and neighbouring property at 3 Baudwin Road in conjunction with the Excalibur Estate Regeneration Scheme;
- Subject to agreement of the above recommendation and the Phase 3 land being transferred to L&Q, agrees to transfer the land at 1 & 3 Baudwin Road to L&Q for development subject to the development of Phase 3 going ahead;
- Subject to agreement of the above recommendation, agrees to delegate authority to the Executive Director for Housing, Regeneration and Environment in conjunction with the Director of Law to negotiate and enter into a legally binding agreement with L&Q requiring the land of 1 and 3 Baudwin Road to be used to deliver 3x 2 and 1x 3 bedroom houses to be let at social rent;

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.

A summary of previous reports to Mayor and Cabinet in relation to the redevelopment of the Excalibur Estate are as follows:

- Excalibur bungalow estate – decent homes through stock transfer – 17 April 2007
- Excalibur bungalow estate – decent homes through stock transfer – 25 June 2008
- Excalibur Estate – decent homes through development – 24 March 2010
- Excalibur estate ballot result and way forward – 15 September 2010
- Regeneration of Excalibur Estate – Section 105 Consultation and Decanting of Phase 1 – 17 November 2010
- Regeneration of the Excalibur Estate – 23 February 2011
- Regeneration of the Excalibur Estate – 7 March 2012
- Redevelopment of Excalibur: Demolition notices and Future letting's – 20 June 2012
- Redevelopment of the Excalibur Estate – 15 December 2012
- Regeneration of Excalibur Estate – Update – 10 April 2013
- Regeneration of Excalibur Estate – Roads – 19 March 2014
- Regeneration of Excalibur Estate – Phase 3 CPO – 4 March 2015
- Regeneration of Excalibur Estate phase 1 & 2 site disposal and overarching development agreement – 4 December 2015
- Excalibur Update – 22 March 2017
- Excalibur Regeneration update – 28 February 2018
- Excalibur Phase 3 Land Assembly – 11 July 2018
- Phase 3 Enabling works – 25 April 2019

1. Summary

- 1.1. The regeneration of the Excalibur Estate is a historical scheme that has been led by the need to move residents from post-war pre-fabricated homes into modern homes. The Council has made commitments to the residents as part of the ballot which took place in 2010. The recommendations in this report are to ensure that those commitments continue to be maintained and that the remaining residents are moved into new homes as quickly as possible.
- 1.2. The Council has been working with residents on the Excalibur Estate on options for the regeneration of the estate for many years and also with L&Q as partner for the estate regeneration since 2006. The full history is detailed in earlier Mayor and Cabinet reports. A list of previous reports is provided in Section 14.
- 1.3. In November 2010 Mayor and Cabinet agreed that the Council proceed with the regeneration of the Excalibur Estate in partnership with L&Q. This followed on from extensive consultation including an independent ballot and Section 105 consultation. The regeneration scheme has been planned to be delivered over 5 phases.
- 1.4. The scheme has suffered significant delays. These have been caused by an application

to list the Estate with English Heritage, a requirement to follow a formal Stopping Up Process on the estate roads, a significant increase in build costs and contractor delays.

- 1.5. Following the application to list properties, English Heritage listed 6 properties on the estate and so these are not included in the regeneration plans. The Council also decided to exclude St Marks Church on Baudwin Road, the then active Tenant Management Organisation Office at 1 Baudwin Road and the then occupied property between the office and church at 3 Baudwin Road, from the regeneration scheme.
- 1.6. The first new homes were completed in January and May 2018 in phases 1 and 2, providing 34 new social rented homes. There are a mix of 15 x 2-bed houses, 5 x 3-bed houses, 2 x 4-bed houses, 11 x 2-bed bungalows and 1 x 3-bed bungalow. 5 new shared equity homes have been available to freeholders wishing to remain on the estate and 18 homes will soon be available for outright sale. All 34 new social rented homes are let on protected social rents to existing estate residents.
- 1.7. Vacant possession of the land forming Phase 3 was secured in summer 2018 and required the use of compulsory purchase powers.
- 1.8. The Council entered into a licence with L&Q to demolish the 48 prefabricated bungalows in Phase 3. Demolition was completed by late summer 2019.
- 1.9. This report is seeking authority to work with L&Q and the GLA to continue with the development of the Excalibur Estate Regeneration scheme.

2. Recommendations

- 2.1. It is recommended that the Mayor and Cabinet:
- 2.2. Notes the progress of the Excalibur Estate Regeneration Scheme as set out in this report;
- 2.3. Notes the rationale for including the land at the former Tenant Management Organisation (TMO) office at 1 Baudwin Road and neighbouring property at 3 Baudwin Road in conjunction with the Excalibur Estate Regeneration Scheme;
- 2.4. Agrees the inclusion of the land at the former TMO office at 1 Baudwin Road and neighbouring property at 3 Baudwin Road in conjunction with the Excalibur Estate Regeneration Scheme;
- 2.5. Subject to agreement of the above recommendation and the Phase 3 land being transferred to L&Q, agrees to transfer the land at 1 & 3 Baudwin Road to L&Q for development subject to the development of Phase 3 going ahead;
- 2.6. Subject to agreement of the above recommendation, agrees to delegate authority to the Executive Director for Housing, Regeneration and Environment in conjunction with the Director of Law to negotiate and enter into a legally binding agreement with L&Q requiring the land of 1 and 3 Baudwin Road to be used to deliver 3x2 and 1x3 bedroom houses to be let at social rent; and

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.
 - 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. There is a long history of the Council working with the former Tenant Management Organisation and other groups of Excalibur residents on the future of the prefabricated home estate. This has included consultation groups and events, surveys and working with independent tenant advisors. The extensive history is detailed in previous reports to Mayor and Cabinet. Following is a summary of key milestones in formal consultation:
- 4.2. Having been chosen as the preferred partners to work on the redevelopment of the estate, in July 2008, L&Q in partnership with the Council commence the consultation on the offer to be made to estate residents (regeneration proposals).
- 4.3. Following the consultation, at the Mayor and Cabinet meeting on 24 March 2010, the unprecedented decision was taken to offer residents a ballot on the regeneration proposals. This being well in advance of the GLA policy on balloting residents on potential estate regeneration schemes. Residents were informed that, in the event of a 'yes' vote, the Council and L&Q would work together to deliver the regeneration of the Excalibur Estate. In the event of a 'no' vote, residents were informed the regeneration proposals put forward by L&Q would not go ahead.
- 4.4. Residents were provided with an offer document which provided commitments in the event of the scheme progressing. The key commitments were:

[1]

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

- Minimum of a 2 bedroom house regardless of need;
 - 2 bedroom bungalow for those that need them;
 - Protected social rents;
 - Lifetime tenancies;
 - Separate bedroom for every child regardless of age (up to a maximum of 4 bedrooms) on the new estate; and
 - Resident freeholders offered a social tenancy if they wish or a shared equity offer.
- 4.5. In July 2010 Lewisham Council, through the independent Electoral Reform Services Ltd, conducted a confidential Ballot of residents. The Ballot was offered to resident tenants and freeholders whose primary home would be demolished in the proposals. In total, 224 Ballot papers were distributed.
- 4.6. Residents eligible to vote were asked 'Are you in favour of the regeneration of the Excalibur estate as proposed by L&Q?' Residents were given two options to answer. Out of the 224 possible votes, 203 (90.6%) were returned. A total of 56.2% of residents supported the re-development of the Excalibur estate as proposed by L&Q. This meant that if the 21 who did not vote, had voted 'No', there still would have been more residents that wanted the re-development to go ahead.
- 4.7. Following this, the Council was required to carry out statutory Section 105 consultation with secure tenants affected by the proposals. At the closing of the consultation period a total of 38 responses had been received from secure tenants, which represented a 21% response rate. 23 of the responses were classified as opposed to the development while 4 were in favour and 11 were neutral. The responses to the Section 105 consultation were reported to Mayor and Cabinet on 17 November 2010 and, having considered the responses and the Equalities Impact Assessment, the Mayor and Cabinet agreed that the Council should seek to achieve the redevelopment of the Excalibur estate in partnership with L&Q.
- 4.8. On the 18th January 2012 Mayor and Cabinet agreed a change to the phasing of the scheme. 3 prefabricated homes from later phases were included in the Phase 1 build site. Mayor and Cabinet agreed this on the basis of a second Section 105 consultation that took place with residents. A total of 4 responses were received in time to be included. The 4 responses represent a 6% response rate (of the total 140 secure tenants remaining on the estate). 3 were in favour of the proposed change and 1 was neutral, there were no objections.
- 4.9. Officers continue to work closely with residents including through a Residents Steering Group who currently meet bimonthly to discuss progress of the estate regeneration.

5. Project Progress

- 5.1. Key milestones in the project are set out below.
- L&Q obtained planning permission in March 2012 (detailed for Phases 1 - 3 and outline for Phases 4 - 5);
 - The Secretary of State consented to the disposal of the Phase 1 and 2 land under Section 233 of the Town and Country Planning Act 1990 in October 2013;
 - The Council obtained vacant possession of the Phase 1 and 2 site in 2014. 33 tenants were re-housed. 7 freehold properties were bought back and the Council obtained and used CPO powers to assist with this;
 - The decant of the 48 prefabricated homes in Phase 3 commenced in 2013 and

the Council obtained vacant possession of the Phase 3 site by September 2018. 39 tenants have been rehoused. 9 freehold properties were bought back. The Council obtained and used CPO powers to assist with this;

- The Council entered into a licence with L&Q to carry out demolition of the 48 properties in Phase 3 and to carry out ground works in preparation of building works;
- Demolition and land clearance of Phase 3 was completed by September 2019;
- Phase 3 land did not transfer upon completion of the demolition due to viability concerns; and
- Officers are working with L&Q and the GLA to address the viability issues.

5.2 Information on the viability concerns and ongoing discussions between the Council, L&Q and the GLA are contained in the accompanying Part 2 report. The development of the Phase 3 site is being delayed until the viability condition of the Development Agreement is satisfied.

5.3 Across phases 4 and 5 there are currently 33 secure tenants and 5 freeholders (1 of which is confirmed as being a non-resident).

6. Inclusion of 1 and 3 Baudwin Road

6.1. The pre-fabricated bungalows remaining on the estate were built as temporary post-war housing. Whilst they have provided housing for much longer than originally anticipated, they are now past their useful life and are challenging to heat and maintain.

6.2. As detailed earlier in this report, the scheme has experienced numerous delays. The Council are committed to limiting any further delays so that the remaining residents can move into new modern homes as soon as possible.

6.3. The inclusion of the land at 1 and 3 Baudwin Road presents an opportunity to build sufficient homes for all remaining secure tenants and resident freeholders to move into Phase 3 whilst continuing to adhere to the commitments made as part of the ballot (as set out in 4.4). If these homes are not built alongside Phase 3, then some residents will have to wait for Phase 4 to be built before they can be made an offer of a new home on the estate. This will be at least another 2 years after the completion of the Phase 3 homes.

6.4. The properties at 1 and 3 Baudwin Road were originally considered as part of the regeneration scheme along with the neighbouring St Mark's Church, all are original Excalibur Estate prefabricated buildings. The buildings were not considered in the final plans as 1 Baudwin Road was used as the estate office by the then active Excalibur Tenant Management Organisation (TMO). The church was not considered part of the plan following early discussions with the Church of England and 3 Baudwin Road is 'land-locked' between the TMO office and the church.

6.5. In March 2017 the Excalibur TMO was closed. The former office at 1 Baudwin Road was not suitable for residential use and so has since been secured by a property guardian using the building as a studio.

6.6. The secure tenant who lived at 3 Baudwin House was moved into a new home on the estate in May 2018. Initially the property was used as temporary accommodation, but due to deterioration has remained empty since December 2019.

6.7. There are currently no plans to include St Marks Church within the regeneration scheme.

- 6.8. Officers started reviewing the site with L&Q in summer 2019 for possible redevelopment as part of Phase 3 of the Excalibur Estate Regeneration Scheme. The brief to L&Q was to deliver new homes on the site whilst fulfilling the commitments made to residents as part of the ballot. Additionally, the brief was to work towards satisfying the decant of both the remaining phases within Phase 3.
- 6.9. Having assessed the remaining 37 households in phases 4 and 5 and taking into account the key commitments made to residents as outlined in 4.4, it has been identified that the highest need to satisfy the remaining decant is for 2 bedroom houses.
- 6.10. L&Q have been assessing the site and commenced planning work. These early plans indicate that 3 x 2 and 1 x 3 bedroom houses can be delivered on the Baudwin Road site. All will be for rent and offered to current residents at a protected social rent. As yet, a planning application has not been submitted.
- 6.11. Officers have discussed the proposal for the site with the Excalibur Steering Group. There is no requirement for consultation under Section 105 of the Housing Act 1985. Local residents will be consulted as part of the planning process should the recommendations in this report be approved and a planning application is submitted.
- 6.12. The current Phase 3 site has planning approval. This is being reviewed with the intention of making an application under Section 73 of the Town and Country Planning Act 1990 to make a minor material amendment. The application will review the tenure of the homes to be delivered in order to meet the identified decant need of the remaining residents and fulfil the objective of decanting the final two phases together. If achieved, this would deliver resident moves at least two years earlier than if the phases remain separate. This can only be delivered with the addition of the proposed houses on the site of 1 and 3 Baudwin Road.
- 6.13. In December 2019, a valuation of the site was carried out on behalf of the Council. The result of the valuation is considered commercially sensitive and is therefore contained within the accompanying Part 2 report.
- 6.14. For the reasons outlined, officers recommend that the site comprising of 1 Baudwin Road and 3 Baudwin Road (as outlined in red as appendix A) is transferred to L&Q to be redeveloped in conjunction with the Excalibur Estate Regeneration scheme.
- 6.15. Officers further recommend that the site is transferred to L&Q on condition that they develop the wider Phase 3 land and that they enter into a legally binding agreement with the Council to only use the site to build 3 x 2 and 1 x 3 bed houses (subject to planning permission) all of which are to be offered to current Excalibur Estate residents at a protected social rent.

7. Financial implications

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

8. Legal implications

- 9.1. 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.
- 9.2. 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.

9.3 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.

9.4 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/>

9.5 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

9.6 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/>

9.7 Additional legal implications are contained in the Part 2 report.

9. Equalities implications

9.1. The initial Equalities Impact Assessment for the scheme was presented to Mayor and Cabinet on 17 November 2010. This was updated in 2012 to take into account the public sector equality duty contained within the Equality Act 2010. The assessment remains under constant review.

- 9.2. The decant process involves the provision of an individual service, where decant officers visit tenants at home and get to know them and their needs on an individual basis. Any special requirements are identified and taken into account in planning the move, factors such as language, mobility and other support needs often need to be considered. It is recognised that decanting is a very stressful time and decant officers offer as much support as required to minimise the anxiety to residents.
- 9.3. The scheme will provide thermal and security improvements, with all new properties more than meeting the decent homes standard.
- 9.4. All new affordable units in the development will meet lifetime homes standards. A Lifetime Home unit can be adapted when required to suit residents changing needs.
- 9.5. In line with GLA and Council policy, more than 10% of units across the development will be wheelchair accessible or easily adapted for those using a wheelchair.

10. Climate change and environmental implications

- 10.1. The current prefabricated properties were built post-war and are lacking and are environmentally inefficient by modern standards. The new homes to be built will meet the current standards and will benefit from modern technologies that will make them more efficient. Additionally, the Council will work with L&Q to endeavor to source building materials from local suppliers to reduce the travel distance and seek materials that do not contain animal products – where possible. This will help Lewisham achieve its carbon reduction goals.

11. Crime and disorder implications

- 11.1. There are no specific crime and disorder implications specifically arising from this report.

12. Health and wellbeing implications

- 12.1. There are no health and wellbeing issues arising specifically from this report.

13. Previous reports

- 13.1.

Date	Name of report
17/04/07	Excalibur bungalow estate – decent homes through stock transfer. Report update on the stock transfer option
25/06/08	Excalibur bungalow estate – decent homes through stock transfer. Update and agreement of offer document, proposed tenancy agreement and freehold offer

24/03/10	<p>Excalibur Estate – decent homes through development</p> <p>Update of the scheme, highlighting key issues and need to identify alternative to stock transfer. Permission to ballot residents</p>
15/09/10	<p>Excalibur estate ballot result and way forward</p> <p>Part 1 report – Note ballot outcome and permission to undertake S105 consultation</p> <p>Part 2 report – Funding requirements</p>
17/11/10	<p>Regeneration of Excalibur Estate – Section 105 Consultation and Decanting of Phase 1. Part 1 – Consider S105 responses and EIA</p> <p>Part 2 – Funding requirements</p>
23/02/11	<p>Regeneration of the Excalibur Estate</p> <p>Part 1 – Progress of the scheme and rehousing arrangements (NoSP's, buybacks)</p> <p>Part 2 – authority to enter into a Development Agreement (DA) with L&Q, permission to dispose of phase 1.</p>
07/03/12	<p>Regeneration of the Excalibur Estate</p> <p>Part 1 Authority to proceed with a Compulsory Purchase Order (CPO)</p>
20/06/12	<p>Redevelopment of Excalibur: Demolition notices and Future letting's -</p> <p>Part 1 report – Permission to proceed with Demolition Notices and end future lettings through Homesearch</p>
15/12/12	<p>Redevelopment of the Excalibur Estate</p> <p>Update and land appropriation</p>
10/04/13	<p>Regeneration of Excalibur Estate – Update</p> <p>Part 1 – progress and appropriation of additional properties for phase 1 & 2. Rehousing and buyback arrangements for phase 3 and future phases</p> <p>Part 2 – Budget requirements for phase 3</p>
19/03/14	<p>Regeneration of Excalibur Estate – Roads</p> <p>Part 1 – To agree all roads on estate to be dedicated as highways</p>

04/03/15	Regeneration of Excalibur Estate – Phase 3 CPO Part 1 – Authority to proceed with CPO for phase 3
04/12/15	Regeneration of Excalibur Estate phase 1 & 2 site disposal and overarching development agreement Part 2 Agreement of final terms of the DA with L&Q
22/03/17	Excalibur Update Part 1 – approval to serve Demolition Notices on phases 4 & 5 and management of all remaining prefabs on later phases
28/02/18	Excalibur Regeneration update Part 1 – land appropriation phase 3 Part 2 – Budget update
11/07/18	Excalibur Phase 3 Land Assembly Part 1 – approval of project brief and inclusion of additional land. Demolition of phase 3 under licence Part 2 – Disposal of phase 3 terms and underwriting of demolition costs
25/04/19	Phase 3 Enabling works Part 1 – Underwriting costs and budget increase Part 2 – underwriting costs and budget increase

14. Report author and contact

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