Cabinet

Date of Cabinet: 12 October 2015

Report Title: Investing in better neighbourhoods and building the homes we need to house the people of Lambeth – South Lambeth

Wards: Stockwell

Report Authorised by: Strategic Director, Neighbourhoods and Growth: Sue Foster

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Report Summary

We want to make sure that every resident in Lambeth has the opportunity to live in a good quality and affordable home. Focusing on the South Lambeth estate, this report recommends the retention of Wimborne House and the redevelopment of all the low rise buildings, replacing all existing homes, building at least 100 extra homes for council rent and over 100 homes for private rent; offering the chance of a secure home in Lambeth to hundreds of local families.

The challenge we have here in Lambeth is considerable but we are determined to do something about it. We currently have over 21,000 people on our waiting list for a council home; the number of homeless families in temporary accommodation has risen sharply to over 1,800, the vast majority of which are families with children; and 1,300 families are living in severely overcrowded homes.

We know that there are not enough homes to meet the needs of people in Lambeth and there are not enough homes, particularly ones that families can afford. We are not going to watch as the housing crisis becomes worse. That is why we are investing in our neighbourhoods and building new homes. This will improve the quality of housing for our existing residents and offer the chance of a home to the thousands of local families who desperately need a place to call home.

As well as an historic £490m investment into our estates through the Lambeth Housing Standard (LHS) programme, the Council is committed to building 1,000 extra homes at council rent levels to deliver a new generation of homes for Lambeth’s residents. Our commitment to 1,000 new ‘council rent’ homes will renew our estates and maintain the mixed communities reflective of Lambeth’s diverse population. These homes will be delivered over the next four
years through a combination of initiatives, including estate regeneration, small sites development and specific housing projects. The Council also needs to look forwards to future demand, where it is predicted that more than 1,500 new homes will need to be built every year until 2025, to make sure local communities have the opportunity to stay in Lambeth and to cope with London’s growing population.

The estate regeneration programme gives us the opportunity to improve the quality and size of homes on selected estates, invest in the wider neighbourhood and increase the provision of new homes on those estates. We made a commitment to deliver 1,000 extra homes for council rent over the next four years but we also want to give existing tenants and leaseholders on these estates a series of key guarantees so that they know that they can continue living there.

This report focuses on the future of the South Lambeth estate, which is one of the estates within the Council’s estate regeneration programme. It is recommended that the Council progress with the partial redevelopment of the South Lambeth estate, with the retention of Wimbourne House, to meet the Council’s objectives to provide better quality homes for the residents of Lambeth and to deliver additional new homes. This route achieves more of the Council’s objectives, gives all existing residents the guarantee of a high-quality home, provides many more new homes, and can achieve pay-back at an earlier time which is much more appropriate for the type of development.

What we have learnt from the work to date is that we must engage local people in an open and honest way and be realistic about the options available to us. We also want to be clear that the quality of much of the current housing is not good enough and that redevelopment is often the way we can afford the improvements that are needed. It is clear also that we must be upfront about the approaches, the timescales and the costs. This commitment underpins the way we want to take these issues forward.

**Finance Summary**

2.1 Financial analyses have so far been undertaken on the basis of the massing studies done with a number of alternative development scenarios tested for financial sustainability.

2.2 At this point, financial assessments indicate that the proposed scheme is feasible based on the initial assumptions in the development appraisals. These assumptions are consistent with those within the HRA 30 year Business plan.

2.3 Further detailed financial modelling and viability assessment will be undertaken as the master planning process progresses. Different funding options, structures and the impact of all taxations (SDLT, Vat and corporation tax) will all be explored further and reported in future cabinet reports.

2.4 Funding is already in place to progress the project through design, planning and land assembly and to resource any property buybacks from those homeowners who wish to sell back to the Council. However, should additional land assembly be envisaged, further funding for this will need to be allocated.
Recommendations

(1) To authorise officers to progress the project on the basis of a partial redevelopment of the South Lambeth estate, in accordance with the approach set out in Section 2 of this report and Appendix B, and to procure a development management team to progress the redevelopment of the estate as set out in paragraph 2.2 and 2.11.

(2) To authorise inclusion of additional land holdings within the masterplan for South Lambeth estate, where such land lies on the boundary of the Estate, and where such inclusions would improve the place-making outcomes and deliver a net increase in the number of homes (see paragraph 2.12).

(3) To require officers and the procured development management team to work closely with residents in the procurement and formulation of the masterplan, including a phasing strategy and a local lettings policy for the Estate.

Attachments

- Appendix A – Site Plan
- Appendix B – South Lambeth – Option Analysis
- Appendix C – Design and Engagement Report
- Appendix D – Consultation Log
- Appendix E – Household Needs Survey
- Appendix F – Financial Appraisal of Options
- Appendix G – Equalities Impact Assessment (South Lambeth)
- Appendix H – Masterplan Objectives
- Appendix I – Resident Engagement Panel – terms of reference (template)
- Appendix J – Financial Summary
- Appendix K – Project Summary
1. **History and Context**

**Demand for Housing in the Borough**

1.1 Lambeth, like all London boroughs, is facing a major housing crisis. Over 21,000 people are on our waiting list for a council home; the number of homeless families in temporary accommodation has risen sharply to over 1,800, the vast majority of which are families with children; and 1,300 families are living in severely overcrowded homes.

1.2 Every year between 3,000 and 4,000 people apply to be on the Council's housing waiting list. This equates to 60 to 80 households per week.

1.3 At the current time, each year the Council is able to provide housing for around 1,200 households. This equates to around 24 per week and includes internal transfers from one council house to another.

**Background – Introduction to South Lambeth Estate**

1.4 The estate considered in this Cabinet Report is known as South Lambeth. South Lambeth Estate is situated in the northern part of Lambeth, off Clapham Road. The estate was constructed in the 1960’s. The site is bound by neo-Georgian flats to the northwest and backs on to late Georgian properties at Albert Square. The estate is in the Stockwell Ward and a plan is attached as Appendix A and below.

![South Lambeth Estate Masterplanning](image)

1.5 South Lambeth Estate comprises 205 properties in total, of which 104 are in a single large slab block, known as Wimborne House, and 101 are situated in a series of low-rise blocks. Across the estate, there are 141 tenanted properties and 64 leasehold properties (a tenure split of 31% leasehold). There are also four retail unit shops on the estate, situated on Dorset Road (within Broadstone House).

1.6 Extensive refurbishment works were carried out on Wimborne House in 2006, costing approximately £5m. This represented a full refurbishment to provide a 30 year life for the building components, of which around 20 years remain. These works exceeded those
typically undertaken to meet the basic Decent Homes Standard. They preceded any definition of the Lambeth Housing Standard.

1.7 South Lambeth Estate was included in the Council’s estate regeneration programme through a Cabinet decision made in December 2014. The principal reason for inclusion of the estate in the programme is that it represents an opportunity to build a significant number of additional homes, due to the relative low density of the estate, given its location and public transport accessibility levels. The site is highly accessible to public transport, with the PTAL rating of 6A-5 across the site, supporting an increase in density.

1.8 The Council’s programme objectives for estate regeneration and housing delivery as set out in the Cabinet Report of 13 July 2015 and as applied to an individual estate have been used to guide consideration of the options available for regeneration or redevelopment of South Lambeth estate. The assessment of options is set out in detail in Appendix B.

**Consultation and Engagement – Summary**

1.9 Since the Autumn of 2014 engagement has taken place with residents of South Lambeth Estate and local stakeholders on the future of the estate. A detailed summary of the design feasibility work and the accompanying resident engagement is provided in Appendices C and D. This is summarised below:

a) during the course of the whole engagement process, 17 events have been held on the estate, including public exhibitions, drop-ins and door-knocking exercises, in addition to which there have been numerous pre-arranged meetings with individuals and businesses on the estate and in the immediate local vicinity;

b) during the course of the engagement process, the Council has issued 14 pieces of correspondence to all households on the estate, including letters, newsletters and event notifications. In addition to this, Council officers have responded to approximately 40 emails and had numerous telephone conversations or other communications from residents;

c) in August 2015 Pollard Thomas Edwards architects (PTE) set up a website to help share and communicate information - http://www.southlambethestate.co.uk/;

d) we estimate that over 90 hours of officer time has been spent physically on the estate engaging with residents;

e) according to our records, the engagement process has enabled conversations, feedback and discussion with 163 households. There remain a small number of households within the low rise blocks, who we have not yet managed to engage and who have been personally invited to the drop-in sessions;

f) early in the engagement process, the Wimborne House TRA reformed; this represents the interests of Wimborne House residents only. In order to extend resident involvement beyond Wimborne House, we have established a Resident Engagement Panel (REP). The membership of the Panel reflects the tenure breakdown on the estate and the Panel has now met twice since July 2015; and,

g) various workshops are currently planned to take place in later September and into October to discuss the particular concerns of tenants and leaseholders and to help them understand better the implications to them individually if they are affected by regeneration of the estate.
1.10 In addition to the consultation, a Household Needs Survey has been carried out (see Appendix E). This provides the following key statistics:

- 27% of households are one parent families;
- 20% of households are retired;
- 18 residents are ‘blue badge’ holders;
- 33 tenanted households consider that they are overcrowded (equating to 23% of tenants); and,
- 28% are White British.

1.11 The view from various consultations and engagement with residents has been that generally people liked the area and many residents have lived here since it was first built and have strong ties to the area. There are concerns over the lack of security to communal entrances and people are affected by anti-social behaviour. There is not enough storage inside and outside of homes, the outside landscaped areas and play areas are under used and fuel bills are large.

1.12 In the low-rise, discussions have largely focused on the offers being made to tenants and leaseholders. Residents wanted to see clear commitments from Lambeth before talking about regeneration scenarios. Four of the maisonette blocks have had a good level of engagement with the exception of Verwood House where fewer residents have attended various consultation events or been engaged via door knocking. Wimborne House meanwhile, has an active TRA and residents there have predominantly stated their desire for the building to be retained. That said, only 39% of Wimborne residents have been engaged in the consultation so far.

**Design Options**

1.13 In mid-November 2014 Lambeth Council appointed Pollard Thomas Edwards (PTE) architects to work with the Council’s Regeneration Team to prepare capacity studies for South Lambeth Estate and to carry out the resident and public consultation. Lambeth Council and PTE have been working closely with residents so that consultation feedback has informed the development of the capacity studies and the masterplan objectives which will form the brief for the future masterplanning team. This is summarised in more detail in Appendices C and H. During the design process, there have been two major iterations of the capacity studies, where the second iteration took into account feedback from the original ideas.

1.14 From the outset, it was made clear to residents at South Lambeth Estate that the rationale for considering the estate revolved around the potential for an increase in the number of homes. This meant that all capacity studies, from the very beginning, assumed replacement of the low-rise blocks (101 homes). However, it was made clear that a decision needed to be made concerning Wimborne House (whether to retain or replace it). Design scenarios therefore tested these different options, but always involved replacing the low-rise buildings.

1.15 Given the high level of investment in Wimborne House, it was agreed that there was a need to establish the current condition of the building to provide an informed, evidence-
based view for the building’s future in the regeneration of the South Lambeth Estate. A Stock Condition Survey was carried out and is available on request.

1.16 The stock condition survey was undertaken by Baily Garner Ltd on Wimborne House in June 2015. The surveys covered all external fabrics, communal areas and surveyors accessed 8 properties. The general findings stated that the building was considered structurally sound with a lifespan for the building components in excess of 20 years. The survey identified some items of general maintenance and some areas where improvements to the quality of the building should be considered. These are considered in more detail in Appendix B.

1.17 Arising out of the design feasibility work and accompanying resident engagement, three scenarios have emerged: one of these involves demolition and replacement of Wimborne House and two involve retention of Wimborne House. The two that involve retention of Wimborne House produce very similar numbers of new homes. The numbers of homes retained, replaced and in addition to existing numbers are summarised in the table below:

<table>
<thead>
<tr>
<th>Options</th>
<th>No. of homes retained</th>
<th>No. of homes demolished</th>
<th>Net Additional New Homes</th>
<th>Total Homes in future estate</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td>104</td>
<td>101</td>
<td>226</td>
<td>431</td>
<td>Retention of Wimborne Hse (excludes Mar Azul site)</td>
</tr>
<tr>
<td>Avenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>scenario v2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Option 2</td>
<td>0</td>
<td>205</td>
<td>295</td>
<td>500</td>
<td>Demolition of Wimborne Hse (includes Mar Azul site)*</td>
</tr>
<tr>
<td>Square</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>scenario v2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Option 3</td>
<td>104</td>
<td>101</td>
<td>218</td>
<td>423</td>
<td>Retention of Wimborne House (excludes Mar Azul* site)</td>
</tr>
<tr>
<td>Avenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>scenario v3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(minimises development to the north of Wimborne)</td>
</tr>
</tbody>
</table>

*Mar Azul is a café on the corner of the Estate, sited on Clapham Road. Conversations have been held with the owner regarding whether or not to include the Mar Azul site within any future regeneration of the Estate.

1.18 These capacity studies suggest that regeneration of the estate involving demolition of Wimborne House could give rise to an additional 295 new homes, whereas regeneration scenarios involving retention of Wimborne House can provide around 220 additional new homes.

1.19 In considering the various options for the future of the estate that have emerged from the design feasibility and engagement work, the Council has applied the tests that were initially set out in the Cabinet Report of 13 July 2015, which were formulated to help decide on the optimal regeneration option. Self-evidently, these have to be considered in the context of delivery risk and the likelihood of being able to achieve the desired outcomes; the Cabinet Decision on 13 July 2015 made it clear that design solutions must
be feasible. The decision matrix for considering potential regeneration options is therefore:

- **Viability**: option achieves a positive Net Present Value (NPV);
- **Deliverable**: that delivery risk is manageable and that phasing and construction programmes are feasible;
- **Meets Key Guarantees**: delivers the re-provision of existing homes in line with the Key Guarantees to residents;
- **Meets Planning Policy and Tenancy Strategy**: option meets as a minimum Council planning policy and Council tenancy strategy on affordable housing for the net additional new homes;
- **Additionality (1)**: favouring options where the quantity of new homes provided is higher;
- **Additionality (2)**: favouring options where the quantity of new homes for council rent is higher;
- **Optimal Tenure Split**: aim to achieve a tenure split between market and affordable homes, which is closest to a 60% affordable/40% market split (taking into account any localised reasons for moving away from this split);
- **Nature of Market Housing**: preference for private rent;
- **Pay-back Period**: favouring options that provide shorter pay-back periods, while acknowledging that the Council is able to invest in the local community over a far longer period than a private developer, to support the needs of local families; and,
- **Subsidy**: favouring options that require the least subsidy to meet the other objectives.

*(Items in bold are criteria that all options under consideration must achieve).*

1.20 Viability analyses have been carried out on two options: (a) replacement of Wimborne House, and (b) retention of Wimborne House assuming an uplift of 220 new homes.

1.21 Taking into consideration the objectives set out above and the outputs of the viability analyses, an optioneering analysis has been undertaken and is set out in detail in Appendix B.

1.22 The combination of these factors (the social, economic and environmental considerations, as well as the viability issues) leads to a recommendation to seek to retain Wimbourne House while the low-rise blocks would be redeveloped.

**General Planning Commentary**

1.23 In line with the National Planning Policy Framework (2012) and the London Plan (2015) the Council has adopted planning policies, which seek to maximise the supply of additional homes, including affordable housing, within the Borough. The delivery of new housing is a key priority of the development plan, but this has to be balanced against the requirements of other policies, which deal with a wide range of issues such as design, heritage, amenity, trees, open space and transport.

1.24 The Local Planning Authority has been involved in the initial design development work, which has been undertaken at the South Lambeth estate. Planning officers have visited
the site, assisted in identifying constraints and opportunities in terms of the existing built
form and its surrounds, they have advised on key constraints and provided commentary
on the emergent design study proposals in the context of adopted planning policies.

1.25 It is recognised that the South Lambeth estate is almost surrounded by conservation
areas. The future design of the estate needs to be very sensitive to the character of this
surrounding area.

Procurement
1.25 At the Cabinet meeting on 27 July 2015, authorisation was given to extend the
programme of feasibility work and in parallel to commence procurement of a development
management team to take forwards the masterplanning, planning and any land assembly
required to progress the regeneration of the estate. This decision was taken to provide
more time to carry out the stock condition survey of Wimborne House and so as to
minimise any delay to the project once Masterplan Objectives were confirmed.

1.26 An OJEU compliant procurement process is underway to procure a development
management team so should a decision be taken to progress the regeneration of South
Lambeth estate, masterplanning will be able to start in November 2015.

Resident Commitments
1.27 Key Guarantees for those residents affected by regeneration were adopted for the
Cressingham Gardens estate at the Cabinet Decision on 13th July 2015. We have
continued to receive feedback on the original draft Key Guarantees from residents on
other estates. There are, however, no reasons to make any changes to these. It is
therefore proposed to adopt the same Key Guarantees for the residents of South
Lambeth, if it is confirmed to proceed with regeneration of the estate.

1.28 The Council has further developed consultation principles, which will guide the process by
which the Council engages with residents going forwards on the development of
masterplans for each estate. These are:

 keep uncertainty for residents to a minimum;
 ensure residents have an understanding of the bigger picture;
 make it clear to residents that their voices have been heard by decision makers;
and,
 ensure that residents have the information they need to make the best choices
about their families’ futures.

1.29 The adoption of Masterplan Objectives represents a key part of these communications
principles. The Masterplan Objectives at this stage of the regeneration process:

 give certainty to residents about which homes will be retained and which homes
replaced;
 help residents appreciate the bigger picture about the future design of their estate;
 show residents how their voices have been heard through the feasibility process to
influence the future form of their area; and,
together with the Key Guarantees, contribute to providing residents with the information they need to make informed choices.

Resident Response and Masterplan Objectives

1.30 Through the engagement process with residents, the architects PTE, were able to test out how residents felt about the different design scenarios that were being presented. The full set of observations made by residents are noted in the Design and Engagement Report at Appendix C. The main points made by residents on the design options being were:

- people like living in the location;
- the green spaces could be so much better;
- some homes should be specifically built for the elderly;
- there should be shops in all scenarios;
- a community space for residents is important;
- high quality energy efficient homes are important;
- traditional streets with front doors would be safer; and,
- new homes with more space and storage would be desirable.

1.31 This feasibility work, together with investigations such as the stock condition survey, has fed through to influence the formulation of the proposed Masterplan Objectives for the estate. These are provided in more detailed in Appendix H. These Objectives, set out below, are intended to form part of the brief to the development management team that will be procured.

1. Retain Wimborne House and redevelop the five low-rise Houses - Osmington, Sturminster, Broadstone, Verwood and Swanage (totalling 101 homes to be redeveloped).
2. Re-provide those 101 homes plus the addition of a minimum of 220 new homes.
3. Provide new homes which are energy efficient (cheaper to run), meet current space and design standards and which will age well, with limited maintenance.
4. Create a masterplan with a distinctive character which responds to the existing local context of Albert Square, Bolney Meadow, Dorset and Clapham Roads.
5. Create a safe and neighbourly environment (streets with front doors and an easily located address). Provide clearly defined pedestrian routes through from Clapham Road to Kibworth Street and Dorset Road.
6. Provide a neighbourhood which is not dominated by vehicular routes or parking, only re-providing resident parking in defined areas, and dedicated wheelchair user parking.
7. Provide safe and overlooked open spaces creating landscapes for a variety of outdoor activities such as a tree lined park extending to Clapham Road and a new London square.
8. Provide an accessible Community Space for South Lambeth residents adjacent to one of the open space.
9. Provide new retail units onto Dorset Road, closer to Clapham Road.
10. Work closely and communicate clearly with the South Lambeth residents and stakeholders on their aspirations for future proposals.
11. Work with those resident groups with specific housing needs such as the elderly residents, or those with disabilities and ensure the proposals going forward reflect these needs.

**Consequences of the Recommendations in this Report**

1.32 If the recommendations in this Report are adopted, then the Council will embark on a programme of masterplanning of the South Lambeth estate based on the assumption that all the low-rise blocks on the estate would be redeveloped. The financial viability of the project will continued to be assessed as the master planning develops. If the Council is unable to reach agreement for acquisition of leasehold properties, then it would be necessary to seek to acquire them by compulsory purchase. Residents in Wimborne House would remain in their current homes; however, they need to be aware that there would be disruption over a period of time due to construction works directly around the building.

### 2 Proposal and Reasons

2.1 The proposal is to proceed with the partial redevelopment of South Lambeth Estate, in which Wimborne House is retained. The solution gives residents the guarantee of a high-quality home that meets their needs and which increases the overall number of homes for Council rent. The detailed consideration of options is set out in Appendix B.

2.2 A development management team will help the Council and the residents to work up a masterplan for the estate and to seek to secure a planning consent for development.

2.3 For the sake of clarity, the proposed partial redevelopment involves demolition and replacement of all the low-rise properties on the South Lambeth estate (Broadstone House, Sturminster House, Swanage House, Verwood House and Osmington House). Wimborne House will be retained.

2.4 Partial redevelopment of South Lambeth estate will deliver:

- replacement of all existing low-rise dwellings at South Lambeth estate – all existing tenants and resident leaseholders will have the opportunity to move into new high quality homes in a well-designed new neighbourhood;
- a minimum of 220 additional new homes;
- around 100 additional homes for council rent, with the potential of increasing this to 111 while still meeting all other Council objectives;
- significant improvements in the urban character of, and of the local area around, South Lambeth estate; and,
- tenants in Wimborne House, who are over-crowded, will have the opportunity to move into new properties on the estate.

2.5 The Masterplan Objectives provided in Appendix H will be provided to the development management team as part of their brief for the regeneration of the estate.

2.6 The design brief for the development management team (to be procured) will look to develop a phasing strategy for the regeneration of the estate so as to minimise the need
to move anyone temporarily off the estate and to make sure (as far as is possible) that households only need to move once.

2.7 The design brief will also seek to minimise disruption to residents on the estate through both the re-housing and construction processes.

Land Assembly

2.8 As the masterplan is developed, it may become apparent that acquisition of additional land holdings adjacent to the estate, in particular where such land holdings might be partly enclosed by the land area of the estate, would enable an enhanced masterplan to be produced and allow delivery of more homes. Where this is the case, the following tests should be applied:

- that the incorporation of such additional land area within a masterplan would qualitatively improve the it in place-making terms (both within the masterplan area and in terms of how it fits within its wider context); and,
- that incorporation of such additional land area would achieve net additional new homes.

Incorporation of such additional land holdings should be pursued in first instance through negotiation with the existing landowners. If this is not successful, then inclusion of such properties within the South Lambeth redevelopment would be confirmed at the time the Council decides whether to proceed with a compulsory purchase order for the estate. The decision to use CPO powers will require a further report to Cabinet.

2.9 There is a strong likelihood that a compulsory purchase order (CPO) will be required in order to proceed with the redevelopment. This is most likely to be once the masterplan has been prepared and the perimeter for the future estate determined, prior to making a planning application. This will enable the making of a CPO to run in parallel with the planning determination process.

Resident Commitments

2.10 The “Key Guarantees” for secure tenants and homeowners, as adopted through the Cabinet decision of 13 July 2015, will now be implemented at South Lambeth in accordance with the following principles:

- they will be implemented in the context of existing Lambeth Policies, noting specific exceptions that are set out in the above referenced information documents;
- officers will be tasked to work with the residents of the estate to formulate a local lettings policy that will determine how new built homes will be allocated, taking into consideration the housing needs of the existing residents on an estate (this will include Wimborne House); and,
- while recognising that there is no obligation on the Council to do this, officers should explore what opportunities there may be to provide assistance to tenants of private landlords on estates, with a view to enabling such tenants to remain part of the community of the estate or at the least to remain part of the community of Lambeth.

Procurement Strategy
2.11 Authorisation to commence procurement of a development management team was given in the Cabinet decision on 27 July 2015. This procurement process is now well advanced and it is anticipated that a preferred development management team will be identified in early November. This will enable progressing into masterplan stage with minimal delay.

2.12 The reasons for the selected procurement strategy for taking forward regeneration of the estate include:

- this approach best enables the Council to control all elements of the project including quantity, design, housing mix, housing tenure and cost; and,
- this direct delivery route negates the need for a ‘developer margin’ which is currently at 20% for most schemes; this means that more value can be reinvested back into the developments themselves, improving the quality of housing and the proportion of affordable housing.

Activities as a consequence of these recommendations
2.13 Set out below are the immediate activities to be progressed by Council officers if these recommendations are adopted. These are just the actions that will be observed from a resident’s perspective.

- **Communication:** Letter announcing the recommendation to residents, setting out what this will mean for them (this will be tailored to different residents).
- **Engagement:** Council officers are now holding weekly drop-in sessions on the estate, available to any resident to drop by and ask questions. These will continue as a permanent fixture.
- **Resident Engagement Panel:** The current Resident Engagement Panel at South Lambeth covers the whole estate. If the recommendations in this report are adopted, then the membership of this Panel will need to be re-visited to make sure that there is appropriate representation amongst residents from the low-rise buildings, who will be most affected by the proposed regeneration strategy.
- **Independent Resident Adviser:** A panel of Independent Resident Advisers has been established and, during October, residents at South Lambeth will be able to interview and select an Independent Resident Advisor from this panel.
- **Procurement:** Progression of the procurement of the development management team to completion. This process has already started and will continue as follows:
  - selection of resident representatives to be on the interview panel;
  - capacity building training for the selected resident representatives (and any others who want to participate);
  - exhibition of the bidders for the development management role;
  - interviews with the bidders;
  - announcement of the successful bidder; and
  - event – “meet the development management team”.
- **Key Guarantees:** Commencement of implementation of Key Guarantees, including:
  - notification to residents on what the Council’s offers mean to them;
  - details of the process involved in different options under the Key Guarantees;
  - description of the “Resident Journey” from current home to new home; and
  - formal buy-back of leaseholds (where desired by residents) will likely commence at the beginning of 2016.
- **Household Needs**: Council starting to gather detailed household needs information from tenants.

- **Masterplanning**: Early work of the selected development management team, including setting out for residents what the masterplanning process will involve.

- **Other**: Further meetings with landowners and retailers affected by the recommendations to consider their options.

3 **Finance**

3.1 Taking forward the estate regeneration programme represents a commercial endeavour for the Council. The programme is not about selling off our estates to private developers, but investing in them for the future. Each estate regeneration project is a significant development project that will require commercial and financial acumen and understanding and management of development risk.

3.2 As set out in the Cabinet Report of 13 July 2015, it is the Council’s intention to establish a Special Purpose Vehicle (SPV) to facilitate the delivery of the new homes. This will need to be supported by appropriate commercial advice and expertise. In due course, this may enable a degree of cross-subsidy from one project to another. However, in the shorter term, projects that are being progressed as part of this programme are each being considered separately in terms of their individual financial merits and viability.

3.3 Consultants have been retained to carry out the feasibility analysis on the basis of the massing studies that have been undertaken. A number of alternative development scenarios have been tested for financial sustainability. Layered onto this are the Council’s objectives for individual projects, as set out in paragraph 1.19 (such as aspirational tenure split).

3.4 At this point financial assessments indicate that the proposed scheme is feasible based on the initial assumptions in the development appraisals. A full Financial Appraisal of Options is provided as Appendix F. And in response to requests for greater clarity on financial matters, a Financial Summary is provided at Appendix J.

3.5 Further detailed financial modelling and viability assessment will be undertaken as the masterplanning process is progressed. Different funding options, structures and the impact of all taxations (SDLT, Vat and corporation tax) will all be explored further and reported in the future cabinet reports.

3.6 In June 2015 AMCAP (Asset Management Cabinet Advisory Panel) recommended the allocation of resources to fund the master planning work on the six estate regeneration sites. (Westbury, Knights Walk, South Lambeth, Fenwick, Central Hill, Cressingham). This was followed up by the Cabinet Decision on 27th July 2015 to begin the procurement process for development management teams for the estates within the estate regeneration programme.

3.7 £5m per annum was also approved by Cabinet in 2014 to support the provision of affordable housing including property buybacks and site assembly costs. For any additional land acquisitions further approval for the funding would be required.
4 Legal and Democracy

4.1 Section 1 of the Localism Act 2011 introduced a new “general power of competence” for local authorities, defined as “the power to do anything that individuals generally may do” and which expressly includes the power to do something for the benefit of the authority, its area or persons resident or present in its area.

4.2 Section 9 of the Housing Act 1985 empowers the Council to provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them.

4.3 Section 105 of the 1985 Housing Act requires the Council to maintain such arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management, including a new programme of maintenance, improvement or demolition:

a) to be informed of the authority’s proposals in respect of the matter; and,
b) to make their views known to the authority within a specified period.

4.4 The Council is required, before making any decision on the matter, to consider any representations made to it in accordance with those arrangements.

4.5 Article 1 of The First Protocol of the Human Rights Act 1998 provides that every person is entitled to the peaceful enjoyment of their possessions and that no one shall be deprived of their possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. These provisions do not impair the rights of the state to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

4.6 Section 149 of the Equality Act 2010 requires the Council in the exercise of its functions to have due regard to the need to:

(a) eliminate discrimination, harassment, victimisation and other form of conduct prohibited under the act; and,
(b) to advance equality of opportunity and to foster good relations between persons who share a relevant protected characteristic (age, disability, gender, pregnancy and maternity, race, religion and belief, sex, and sexual orientation) and persons who do not share it.

4.9 Having regard to the need to advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share it involves having due regard, in particular, to the need to:

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
(b) take steps to meet the needs of the persons who share that characteristic that are different from the needs of persons who do not share it; and,
encourage persons of the relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

4.10 This proposed key decision was entered in the Forward Plan on 29 May 2015, having subsumed a previous edition of estate regeneration reports, and the necessary 28 clear days’ notice has been given. In addition, the Council’s Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and Co-production

5.1 Estate regeneration projects involve a series of stages of work. There is initial feasibility, during which the Council is making a first approach to residents to discuss regeneration of the estate, followed by a process of engagement, in which residents can become closely involved in the planning and design of the future of their estate. We appreciate that local residents need to be able to bring forward ideas and also objections at an early stage. This also allows us to set out our own objectives about improving quality and providing more affordable homes.

5.2 There has been an extensive programme of consultation and engagement on South Lambeth which has provided clear and consistent messaging to the residents and provided opportunities for residents to shape the masterplan objectives which will in turn shape the new development. The process by which the design and engagement has operated is set out in detail in the Design and Engagement Report at Appendix C. A detailed consultation log of all the activity is set out in Appendix D.

5.3 The communication and engagement principles that are being followed to progress the regeneration of the South Lambeth estate are set out in paragraph 1.28. The key to success is that the dialogue is open and honest and that we acknowledge early on that not all decisions and approaches will be fully accepted. This is why the masterplan objectives must be fully understood and once drawn up adhered to.

5.4 Once these masterplan objectives have been adopted, the Council will continue to work with residents in detailed design and masterplanning both of the estate and of their new homes.

5.5 In parallel with the work to formulate masterplan objectives, the Council has been working with residents to establish Resident Engagement Panels for each estate in the estate regeneration programme. A Resident Engagement Panel has been formed at South Lambeth, comprising representation from across the whole estate. The Council and the residents are currently in the process. At time of writing this Cabinet Report, the Council is working with residents to agree Terms of Reference and Codes of Conduct for this Panel. A draft of these Terms of Reference is provided as Appendix I. If the
recommendations in this report are adopted, then the membership of this Panel will need to be re-visited to make sure that there is appropriate representation amongst residents from the low-rise buildings, who will be most affected by the proposed regeneration strategy.

5.6 We are establishing a panel of Independent Resident Advisers. This panel is now available for residents at South Lambeth estate to select a preferred Adviser for themselves. Independent Resident Advisers are experts in housing and estate regeneration. They are well versed in the rights of residents in the context of estate regeneration.

6 Risk Management
6.1 A project team is in place and a risk register is maintained. Key risks and mitigations are noted below:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents do not feel engaged in the process.</td>
<td>H</td>
<td>H</td>
<td>The approach we are adopting is to have direct engagement throughout all the processes and phases.</td>
</tr>
<tr>
<td>Residents do not agree with the data on which regeneration, demolition and new build actions are based.</td>
<td>M</td>
<td>M</td>
<td>Resident reps involved in the Resident Engagement Panel can help to demonstrate that the information and data is correct. Project plan – delivery stage addresses tasks required to mitigate.</td>
</tr>
<tr>
<td>We have instances of legal objections or an unwillingness to vacate properties.</td>
<td>H</td>
<td>H</td>
<td>The Council is using a wide range of communication methods to work with residents to explain the benefits of estate regeneration at both and individual and collective level. Where individual residents have concerns, the Council can work with them to seek to address issues. The Independent Resident Advisor retained to advise residents on options and impacts.</td>
</tr>
<tr>
<td>Masterplan is too expensive.</td>
<td>L</td>
<td>H</td>
<td>Robust financial advice and modelling to make sure we are completely clear about costs. A development management team will be procured, where it will be their responsibility to present back to the Council viable options for regeneration.</td>
</tr>
</tbody>
</table>
Financial oversight to be provided by the Financial Planning and Management Team, reporting to AIMG/AMCAP.

Planning permission not granted.

Planning colleagues and advisers to remain engaged throughout masterplan development.

PPA in place to ensure engagement.

7 **Equalities Impact Assessment**

7.1 An Equalities Impact Assessment was recently completed for the South Lambeth estate. This is based on the information available at this time. This Equalities Impact Assessment will be updated as the project progresses and more information becomes available. The Equalities Impact Assessment will inform the development of supporting strategies for the overall regeneration strategy for the South Lambeth estate, including a placemaking strategy (to consider the wider area around the estate, including socio-economic factors) and socio-economic strategy for the residents of the estate. Both the latter are included as part of the proposed services for the development management team to be procured.

7.2 Set out below are some initial considerations that need to be taken forwards in regard to equalities impacts and associated issues.

8 **Community Safety**

8.1 Our aim is that the new development will contribute positively to community safety by removing areas that attract anti-social behaviour. The wider regeneration initiatives will also promote greater pride in the estates and look to make sure the estates are designing out crime.

9 **Organisational implications**

9.1 Environmental
The new homes will strive to be as sustainable as possible with the resources available.

9.2 Staffing and accommodation
None

9.3 Procurement
An OJEU compliant procurement process is underway to procure development management teams to lead on the masterplanning of South Lambeth.

9.4 Health
The new homes should provide better health outcomes for our residents and we will look at how this can be monitored and captured (see above commentary addressing issues raised by the EqIA).
10 **Timetable and Implementation**

10.1 The diagram on the following page shows a generic programme for the regeneration of estates. As the work is progressed, more detailed programmes will be developed for each estate and communicated to residents. Some of the larger estates may involve multiple phases of planning and construction work.

10.2 At South Lambeth, the following indicative timetable can be expected at this time. Once the development management team has been procured, they will develop a much more detailed programme for the project. Indicative timeline:

- Procurement of Development Management Team – to complete by end of November 2015;
- Masterplanning process – to run through to Summer 2016;
- Confirmed masterplan and business plan for South Lambeth regeneration project – September 2016;
- Planning application (hybrid application, including detailed planning application for a phase 1) – December 2016; and,
## Estate Regeneration - Generic Programme

<table>
<thead>
<tr>
<th>Feasibility</th>
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<tr>
<td>Masterplanning</td>
<td>Planning Application Preparation</td>
<td>Planning Determination</td>
<td>CPO Inquiry</td>
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<tr>
<td>Implementation of Key Guarantees</td>
<td>CPO Referencing</td>
<td>CPO Inquiry Preparations</td>
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<tr>
<td>Formulate Local Lettings Policy</td>
<td>On-going consultation</td>
<td>On-going consultation</td>
<td>Phase 1 construction (no CPO Required)</td>
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<td>Engagement with residents in design</td>
<td>On-going buy-back - non-residents</td>
<td>On-going buy-back - non-residents</td>
<td>Phase 2 and beyond - commencement</td>
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<tr>
<td>Formulation of phasing strategy for decant</td>
<td>Finalise Decant Policy</td>
<td>On-going consultation</td>
<td>First decant to new properties</td>
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<tr>
<td>Confirm detailed housing needs on estate</td>
<td>Finalise new tenancies/leases</td>
<td>On-going consultation</td>
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<tr>
<td>6 to 9 months</td>
<td>3 to 6 months</td>
<td>3 to 6 months</td>
<td>6 to 9 months</td>
<td>On-going consultation</td>
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<table>
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<tr>
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<th>Viable Masterplan</th>
<th>Planning Application Preparation</th>
<th>Planning Permission</th>
<th>CPO Confirmed</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>confirm</td>
<td>Planning (probably hybrid outline + detailed)</td>
<td>Planning</td>
<td>CPO Confirmed</td>
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<tr>
<td></td>
<td>Red-line</td>
<td>Authorise to proceed with CPO</td>
<td>Make CPO</td>
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## Audit trail

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<thead>
<tr>
<th>Name/Position</th>
<th>Lambeth cluster/division or partner</th>
<th>Date Sent</th>
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<th>Comments in para:</th>
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<td>Sue Foster – Strategic Director</td>
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<td>Mike Pocock: Delivery Director – BGR</td>
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<td>Rachel Sharpe – Commissioning Director</td>
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<td>Housing</td>
<td>11.09.15</td>
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## Report history

<table>
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<tr>
<th>Report item</th>
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<tr>
<td>Original discussion with Cabinet Member</td>
<td>01.11.14</td>
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<tr>
<td>Report deadline</td>
<td>30.09.15</td>
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<tr>
<td>Date final report sent</td>
<td>02.10.15</td>
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<td>Report no.</td>
<td>86/15-16</td>
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<td>Part II Exempt from Disclosure/confidential accompanying report?</td>
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<tr>
<td>Key decision report</td>
<td>Yes</td>
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<tr>
<td>Date first appeared on forward plan</td>
<td>29.05.15</td>
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<td>Key decision reasons</td>
<td>Meets Community Impact Test</td>
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## Background information

- The Community Plan, 2013-16  

- Delivering Better Homes, Cabinet report, dated 4 Nov 2013  

- Lambeth Estate Regeneration Programme: Strategic Delivery Approach’ (22/10/12)  
<table>
<thead>
<tr>
<th>Appendices</th>
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<tbody>
<tr>
<td>• Appendix A – Site Plan</td>
<td>• Appendix B – South Lambeth – Option Analysis</td>
</tr>
<tr>
<td>• Appendix C – Design and Engagement Report</td>
<td>• Appendix D – Consultation Log</td>
</tr>
<tr>
<td>• Appendix E – Household Needs Survey</td>
<td>• Appendix F – Financial Appraisal of Options</td>
</tr>
<tr>
<td>• Appendix G – Equalities Impact Assessment (South Lambeth)</td>
<td>• Appendix H – Masterplan Objectives</td>
</tr>
<tr>
<td>• Appendix I – Resident Engagement Panel – terms of reference (template)</td>
<td>• Appendix J – Financial Summary</td>
</tr>
<tr>
<td>• Appendix K – Project Summary</td>
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