

## Cabinet

**Date of Cabinet:** 11 July 2016

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

**Wards:** Larkhall

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## Report Summary

Lambeth's ambition is to ensure that every resident in the Borough has the opportunity to live in a good quality home that is affordable and suitable for their needs.

The Borough faces a major housing crisis, with 21,000 people on the waiting list; over 1,800 families in temporary accommodation, overwhelmingly families with children; and 1,300 families are severely overcrowded. To address this challenge the council administration was re-elected in 2014 on a pledge to build 1,000 additional council rent homes by 2018-19.

Lambeth is investing hundreds of millions of pounds in bringing existing council homes up to the Lambeth Housing Standard (LHS), but the budget shortfall in the LHS programme has grown from an estimated £56m when the programme was launched in 2012 to over £85m as last reported. The Council faces additional pressures on the Housing Revenue Account (HRA) due to government changes in the reduction of 1% per annum in council rents (over the next 4 years), as well as the Welfare Reform and Housing and Planning Bills that will put further pressure on the HRA in the next few years.

Rebuilding the Fenwick Estate will enable the Council to fulfil its obligations and duties to council tenants, despite the major shortfall in the LHS budget, to live in a warm, dry, decent home which meets the needs of their family at council rent levels. The Council is committed to enabling all residents who currently live on the estate to be able to continue to do so: tenants have a guarantee of a new home that meets their housing need and homeowners will be provided with a variety of options to ensure that they have the opportunity to acquire a new

home. The Council will also do its very best to keep the community together by trying to phase any rebuilding so that existing residents should only have to move once.

Redevelopment of the Fenwick Estate will also deliver at least 300 additional new homes, of which 40% will be affordable. Current estimates suggest that there would be between 50 and 100 additional homes for council rent; this figure does not include the 55 homes for Council rent secured through a Section 106 agreement for sites at Fenwick South (see Appendix B, paragraph 1.9). Lambeth aspires to increase the number of additional council rent homes through the masterplanning process and is committed to maximising the number of additional genuinely affordable homes for people in the local community.

The Council has consulted extensively and considered all representations, and has developed a 'Residents Brief' through the Feasibility Study process which identifies residents' priorities for regeneration. The conclusion of the feasibility process is that only the scenarios for full redevelopment can both deliver better homes for existing residents and also increase the number of homes, particularly genuinely affordable rented homes, in the depths of a severe housing crisis.

A decision in accordance with the recommendations in this report will provide certainty for residents of the estate, enable the Key Guarantees to be offered to tenants and homeowners, and enable the Council to commit the resources necessary to commence the preparation of the masterplan of a new exemplary residential neighbourhood.

### **Finance Summary**

The Council is facing significant financial pressure within the HRA capital programme and in particular in funding the Lambeth Housing Standard programme. To help to resolve this, the Council has identified those estates where it is felt both that refurbishment alone would represent poor value for money and where there is the opportunity to intensify the use of land and build more homes. The Fenwick estate was included in a list to be considered for regeneration in accordance with this value for money investment strategy.

An initial massing study has indicated that it should be feasible to build new homes on the estate as part of a redevelopment while early financial evaluation also suggests that it will be possible to deliver a financially viable scheme. As part of the next stage of work, detailed financial evaluation of the scheme will continue to be undertaken in parallel with the masterplanning to confirm these conclusions; at each key step of the redevelopment process (planning, procurement and funding), the financial performance of the scheme will be reviewed to confirm that it remains viable.

It is not yet possible to quantify the likely impact of the Key Guarantees on the Council; whilst assumptions have been made regarding take up of the offer to leaseholders, the rate and extent of that take up is not yet known. There is potentially a financial risk to the Council in the event of either a CPO or a negotiated buy-back programme and further work is required to quantify and manage this risk.

## Recommendations

- (1) To authorise the redevelopment of the Fenwick Estate, in accordance with the approach set out in Section 2 of this report and to procure a development management team to progress the redevelopment of the estate through the planning process.
- (2) To implement the Key Guarantees as included in Appendix H (pending any improvement to the Key Guarantees through further consultation with residents) and to negotiate purchase of leaseholder properties under the shadow of a compulsory purchase order (CPO), as set out in paragraphs 2.7 to 2.9.
- (3) To authorise inclusion of additional land holdings within the masterplan for Fenwick Estate (excluding the odd-numbered properties on Willington Road – see paragraph 2.5), where such land lies on the boundary of the Estate, and where such inclusions can be shown through the masterplanning process to improve the place-making outcomes and/or deliver a net increase in the number of homes (see paragraph 2.6).
- (4) 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.

## 1. History and Context

### Context

- 1.1 The Council is seeking to improve the quality and quantity of the housing in Lambeth.
- 1.2 To address the quality of homes in the Borough, the Council commenced its Lambeth Housing Standard Programme in 2012. There is, however, as set out below, a funding gap and the Council cannot, in any reasonable time period, afford to bring all council homes up to good quality standards. This means that difficult decisions have to be taken with regard to prioritisation of estates for refurbishment and what to do with those estates that are not good value for money to refurbish.
- 1.3 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. 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. At the current time, each year the Council is able to provide housing for around 1,200 households. This equates to around 23 per week and includes internal transfers from one council house to another.
- 1.4 To begin to address these challenges, Lambeth has embarked upon an estate regeneration and housing delivery programme to provide more and better homes for the residents of Lambeth. The estate regeneration component of this programme can deliver better homes for existing residents and additional new homes for those on the waiting list.
- 1.5 The Council has allocated investment funding of £25m through its General Fund to enable progression of those aspects of the estate regeneration programme that involve redevelopment, where this investment will be recouped in due course through Homes for Lambeth, the new company being established by the Council to directly deliver new homes for Lambeth.
- 1.6 The detailed genesis of this estate regeneration programme has recently been provided in Appendix A of the Cabinet Report of 21 March 2016 (<https://modern.gov.lambeth.gov.uk/documents/s80077/Appendix%20A%20-%20Cressingham%20Gardens%20-%20Background.pdf>). The objectives for the estate regeneration programme, in considering the future of any individual estate, have been set out clearly in previous Cabinet Reports focussed on the future of individual estates, such as the Cabinet Reports of 12 October 2015 and 9 November 2015.
- 1.7 The acute housing shortage being experienced by Lambeth shows no signs of abating and as the Council is progressing through decisions on estates for regeneration it is placing more and more emphasis on identifying opportunities to deliver additional new homes for the Borough. To this end, whilst the tests that have previously been used to consider the future of estates remain valid, increasingly the overriding question is whether redevelopment of an estate can deliver a net additional number of new homes and make

best use of Lambeth's constrained land area to provide good quality residential accommodation.

**Lambeth's Estate Regeneration Programme and the Fenwick Estate**

1.8 After the national changes to the Housing Revenue Account in 2010, Lambeth Council sought to take control of its own housing stock and bring about improvements to the lives of its residents. A major initiative, which became known as the Lambeth Housing Standards Programme, was commenced – a refurbishment programme aimed to bring all council owned homes in the Borough up to a good quality. However, from the outset it was known that the Council was unable to fund this programme in full and it was estimated that there was a funding shortfall of some £56m.

1.9 This funding shortfall has now grown to more than £85m as last reported for a variety of reasons including that:

- when the Council has commenced refurbishment on estates in the Borough, it has discovered that there tend to be more properties requiring Lambeth Housing Standards works than originally predicted; and,
- the scope of works has tended to be more than expected.

The overall cost of delivering the Lambeth Housing Standard has therefore grown at the same time that Central Government austerity measures have severely limited the availability of finance through the HRA, whether through reductions in funding (such as Decent Homes) or changes to council rents.

1.10 To seek to resolve the original (and now exacerbated) funding problem, the Council decided to consider an estate regeneration programme, to identify those estates where it felt that refurbishment alone would not achieve the goals of the Lambeth Housing Standard Programme, where the level of work required to bring properties up to the Lambeth Standard was difficult to justify. It was also noted that, in the context of the desperate housing need, there was opportunity on some estates to intensify the use of land and to build more homes. The Fenwick Estate was included in a list of six estates in the Cabinet Report of 8 December 2014 to be considered for regeneration.

1.11 In July 2015, Fenwick Estate was included in a Cabinet Report where approval was given for the following:

- to authorise the procurement of a development management team to progress the regeneration or redevelopment of each of the estates as set out the report;
- to continue with feasibility work toward confirming masterplan objectives for each estate considered in the report according to the timeframe set out in paragraph 2.1 of the report; and,
- to commit to officers working with residents in the process of procurement of the development management teams for the respective estates.

The Council has therefore commenced procurement of a development management team for the Fenwick estate, so that the chosen team will be able to commence work in early Autumn 2016.

- 1.12 In September 2015 Karakusevic-Carson Architects and Make:Good were commissioned to undertake a feasibility study and consultation and engagement programme on behalf of the Council on the Fenwick Estate. A design report is included in Appendix C and a full consultation report is included at Appendix D.
- 1.13 Since November 2015 this Feasibility Study included the following activities: a consultation and engagement programme, the outcome of which was a Residents Brief (Appendix E) and a set of design scenarios in response to the consultation programme and the Residents Brief. The key outputs from the consultation process are summarised in paragraphs 1.16 to 1.22 below and a full report is included in Appendix D.

**Why has the Fenwick Estate been considered for estate regeneration?**

- 1.14 The Fenwick Estate was included in the estate regeneration programme due to the potential to improve the quality and number of homes on the estate, invest in the wider neighbourhood and increase the provision of new homes on the estates. The cost of refurbishment is significant and the Council considered it prudent to look at improvement of the estate holistically and review a range of refurbishment and redevelopment options as part of a wider estate regeneration programme. Given its location and public transport accessibility levels, there is scope for an up-lift in the number of homes.
- 1.15 During the feasibility process, stock condition surveys were undertaken to assess what the likely cost of refurbishment across the estate would be. It is estimated that refurbishment costs to bring the estate up to Lambeth Housing Standard would be around £9m. This gives an average refurbishment cost per home of around £30,000. This compares to an average refurbishment cost of £16,000 per dwelling across the whole Lambeth housing council stock (including tenanted and leasehold properties). Putting aside the excluded odd-numbered properties on Willington Road, all parts of the estate are in a similar poor condition.
- 1.16 Given the funding shortfall to deliver the Lambeth Housing Standard programme, reported to be more than £85m, the Council has to make difficult decisions about which estates to refurbish and which estates should be considered for regeneration and/or redevelopment. In the context of the above figures, it is not good value for money to refurbish properties on the Fenwick estate. It should be noted, however, that this is just one factor amongst others that have contributed to this decision, where, as stated in paragraph 1.7, a primary driver for the decision to redevelop the estate is the opportunity to deliver additional new homes.
- 1.17 There is also potential for wider benefits such as improved housing stock (given the poor condition of some of the homes) and improvements in public realm and general urban design and character of the Estate.

### **Conclusions from the Consultation Process**

- 1.18 84% of all households on the Estate confirmed their awareness of the project through the Feasibility Stage. This is 355 households, made up of 221 tenants, 121 leaseholders and 13 freeholders. These figures are based on confirmed project awareness through door-knocking, direct correspondence or event attendance. Given the level of awareness raising done it is likely that the actual number of households aware for regeneration is higher.
- 1.19 39% of all households on the Estate actively engaged in the process. This is 167 households, made up of 93 tenants, 64 leaseholders, and 10 freeholders. This is based on confirmed project engagement by household through event attendance, home visits, direct correspondence and feedback after events. In addition, 30 households regularly participated, this was measured as attending more than 5 events across the project duration (workshop, exhibition or study trip).
- 1.20 Residents have co-created a Resident's Brief and see potential for a regeneration scheme to provide:
- better quality, warmer, larger homes;
  - improved open space and in particular play provision;
  - more secure access to flats with entry doors to stairwells and minimise number of units per core; and,
  - better lighting across the estate making it feel safer.
- 1.21 Residents have ongoing concerns which can be summarised as:
- the change in tenancy and loss of right to buy;
  - not getting like for like replacement with particular reference to private gardens and parking provision;
  - affordability for both homeowners and tenants;
  - repairs and upkeep not happening in the interim;
  - potentially a long regeneration project and people may be living in inadequate conditions for a long time; and,
  - will individual housing needs be met particularly those with caring responsibilities or mobility issues.

These issues are considered further in Section 5 of this report.

### **Findings from Willington Road (odd-numbered properties) Residents**

- 1.22 The 23 odd numbered properties on Willington Road were originally included as part of the estate regeneration process. However, through the engagement process it became apparent that this group of properties identify as being separate to the rest of the Estate both in terms of their typology (as houses rather than flats) and that they have been managed as on street properties in the past and not part of Fenwick Estate. Seven of these properties are freehold and 16 are council tenants.

1.23 Whilst the cabinet decision in July 2015 included Willington Road low-rise in the study area, the residents were not aware of this and therefore many did not read the correspondence about the project as directly impacting them.

1.24 Their concerns can be summarised as follows:

- they do not want to be included in a regeneration programme;
- they were not adequately informed that their homes would be within the study area;
- their two bedroom houses are larger than two bedroom homes that would be reprovided and therefore their quality of living arrangement would be reduced;
- they currently have off street parking and gardens and this may not be the case in the future; and,
- for council tenants the change in tenancy and loss of the right to buy.

#### **Findings from Surrounding Properties**

1.25 While a minority of neighbouring residents were concerned about any regeneration and increase in density on Fenwick Estate the majority of the feedback we received supported regeneration in some form with the following concerns:

- not wanting Willington Road low rise to be included in the development area as buildings taller than the existing 2 storeys would have the potential to negatively impact on light and privacy of neighbouring gardens and homes.
- if these properties are included in the redevelopment area careful consideration to height and roof scape should be given to ensure no loss of light and privacy to neighbouring homes & gardens; and,
- not being kept informed of the project and not being given opportunities to comment.

#### **Design Scenarios**

1.26 Various design studies were considered as part of the Feasibility Study. In first instance, these were used to test partial verses complete redevelopment. And then, through refinement, the design studies helped residents to express views that became part of the Resident's Brief.

1.27 Because of the funding shortfall for the Lambeth Housing Standard programme and because of the cost of refurbishment of the Fenwick Estate, there is no obvious partial redevelopment solution, which would require an element of refurbishment of the Estate that can be justified. Homes on the Estate require improvement and there is simply not the resources within the Housing Revenue Account to achieve this. The Council has to make difficult decisions as to which estates to refurbish and which estates to redevelop.

1.28 Design scenarios then focussed on redevelopment and working with residents to seek to develop the Resident's Brief.

### **Resident's Brief**

- 1.29 The Resident's Brief gives the future development a very strong starting point with which to align the masterplan with the priorities of residents whilst meeting the Council's objectives and producing something viable and deliverable. The full Resident's Brief is included in Appendix E.
- 1.30 167 households actively shaped, viewed and commented on the Residents Brief, through event attendance, home visits, direct correspondence and feedback after events. Given the level of circulation it is likely that the actual number of households who viewed the draft and final draft versions is higher.

### **Planning Commentary**

- 1.31 The council has adopted planning policies in the Lambeth Local Plan (2015) which seek to maximise the supply of additional homes, including affordable housing, within the Borough. These are in line with the London Plan (MALP 2016) and the National Planning Policy Framework (2012). 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.
- 1.32 Lambeth Planning has visited sites within the Fenwick Estate, assisted in identifying and advising on constraints and opportunities in terms of the existing built form and surroundings and provided some commentary on the emergent design study proposals. It has been identified that there is the potential to deliver a significant number of new homes on the estate whilst also addressing key existing issues such as poor quality accommodation, lack of permeability, accessibility, insufficient legibility, anti-social behaviour and poor quality public realm / open space. Officers will be seeking to optimise the quantum of additional housing that can be delivered on the estate through having regards to existing constraints.
- 1.33 Scenario 1: It was considered that this option did not fix some of the urban design issues present in the estate. It was also felt that proximities to existing/ retained homes could be challenging from a sunlight/daylight and overlooking perspective. It was felt that there could be difficulty in achieving play space requirements etc. because having to work with the retained space.
- 1.34 Scenario 2: 10-storeys is considered too high facing on to Landor Road with 3 to 4-storeys and Clapham Road Conservation Area opposite. Preference not to build higher next to the railway line. It is acknowledged that there will need to be some larger buildings to provide the required level of density.
- 1.35 Scenario 3: Retail units could work opposite the existing shops along Landor Road. The traditional terrace typology is favoured but advised that more open amenity space is needed. The proposals appear a bit monotonous in the computer images which were presented and could be improved if some of the development was reduced and a public

square was created. The proposed gable ends of building could provide active frontages. Raised concern over back gardens backing onto communal amenity space and care should be taken to avoid potential installation of high fences later on. The proposed layout is not considered to solve the problem of vehicular rat running

- 1.36 Scenario 4: It was advised that this option should be pursued but that dual aspect units should try to be achieved as far as possible and where they can't be achieved it should be explained clearly why not. The taller block along Landor Road should be lower to avoid any issues with sunlight/daylight to the existing houses opposite. Taller blocks should be provided in the centre of the site so that there is less impact on existing neighbouring properties. It was noted that height should be considered in terms of optimising access to sunlight/ daylight which would mean that not all height would be in the centre of the site and some would suit being along Landor Road – but perhaps lower than currently shown.
- 1.37 General Comments: Deck access would be an acceptable approach. It was advised that if the existing buildings have no cycle storage or bin storage to the modern standard then this ideally would be provided. Bedford Road junction should be investigated to see if a right turn can be re-introduced to alleviate volumes of traffic through the estate.

#### **Resident Commitments**

- 1.38 The Council has made commitments to residents to minimise the impact to residents that could arise from redevelopment and ensure, as far as is possible, that they can remain living on their estate. These commitments are embedded in the Key Guarantees – see Appendix H; more details on the Key Guarantees and associated processes were provided to all residents on the estate during 2015 in the documents Information for Secure Tenants. Key elements of these Key Guarantees are set out below. The Council recently asked TPAS to review formally the Key Guarantees and TPAS has confirmed that the Key Guarantees meet, and in many cases exceed, statutory requirements. The TPAS Review has also been made available to residents.
- 1.39 The commitments embedded in the Key Guarantees are that all tenants will be re-housed; any tenant wishing to remain on their estate will be able to do so and will be provided with a new home that meets their housing need. However, where tenants value their existing secure tenancy, they can be elevated to Band A status on the Choice Based Lettings system and will have plenty of opportunity as the planning for redevelopment takes place to look for an alternative secure tenanted (or other) home elsewhere in the Borough. A draft new Assured Lifetime Tenancy has been drafted and is available for residents to review. Tenants will also be given help moving, with extra help provided for those who are vulnerable or have special needs.
- 1.40 The commitment to homeowners embedded in the Key Guarantees involves a variety of different options that are specifically made to deal with the different financial circumstances of different households. The offers include purchasing a property, to enable the homeowner to move away, or re-providing a home on the estate through a variety of mechanisms. Furthermore, in the Homeowners Financial Information document,

information was provided to enable homeowners to understand better the potential financial impact of redevelopment, including the ability to call independent mortgage advisers (paid for by the Council) to enable them to explore their own personal situation. In addition to this, assistance would be provided to vulnerable homeowners to help them move.

- 1.41 For both secure tenants and homeowners, the Council will provide compensation through homelessness payments and disturbance payments.
- 1.42 The Key Guarantees contain a commitment to provide existing tenants with replacement homes that meet their housing needs. The combination of allocations policy and housing standards define how those needs would normally be assessed, interpreted and provided for through a new home. The advantage to tenants in the context of redevelopment is that new homes can effectively be designed to cater for their particular needs, where these can be considered in terms of both the current need (at time of moving into a new home) and in the immediate future thereafter (to take account, for example, of growing children).
- 1.43 In response to the on-going engagement with residents and the TPAS review (noted in paragraph 1.36 above), the Council is in the process of making some minor improvements to the Key Guarantees and will be consulting on these with residents later this year.

## **2. Proposal and Reasons**

### **Proposal**

- 2.1 The proposal is to proceed with complete redevelopment of the Fenwick Estate (excluding the odd-numbered properties on Willington Road). This decision would enable the Council to procure a development management team to progress design work towards a masterplan for the estate, which would then be taken forwards to a planning application.
- 2.2 The demolition of all the properties on the Fenwick estate and building of new homes can be expected to deliver:
  - replacement of all existing homes – 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 300 additional new homes; and,
  - a minimum of 100 additional affordable homes, where as many of these as possible will be for council rent. This figure does not include the 55 homes for Council rent secured through a Section 106 agreement for sites at Fenwick South
- 2.3 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 practicable) that households only need to move once. In any event, the Council would work with residents to agree a construction programme that seeks to minimise disruption to residents.

- 2.4 Within the context of needing to deliver a commercially viable redevelopment of the estate, the Council will ensure that the development management teams engaged to progress the masterplanning of the project work towards the Resident's Brief as part of the design brief for the regeneration of the estate.

### **Consequences of the Recommendations in this Report**

- 2.5 If the recommendations in this Report are adopted, then the Council will embark on a programme of producing a masterplan of the Fenwick Estate based on the assumption that the whole estate would be redeveloped (excluding the odd-numbered properties on Willington Road). For the avoidance of doubt, the following buildings would be demolished on a phased basis to make way for the redevelopment of the Estate:

- 22 - 44 Cottage Grove
- 46 -76 Cottage Grove
- 21 -201 Cottage Grove
- 24 - 66 Fenwick Place
- 1 - 147 Fenwick Place
- 1 -44 Holcombe House
- 1-42 Lopez House
- 1 - 37 Oemerod House
- 1 - 20 Willet House
- 26 - 124 Willington Road

- 2.6 The financial viability of the project will continue 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.

### **Land Acquisition**

- 2.7 Initial funding is already in place to commence the process of property buybacks from those homeowners who wish to sell back to the Council and move away. However, the Council is also working to facilitate those homeowners who wish to remain on the estate by providing a replacement property. A strategy will be developed to roll out these buy back and replacement programmes, which will in due course become informed by the phasing strategy, which will be part of the masterplan.

- 2.8 As the masterplan is developed, it may become apparent that acquisition of additional small land holdings on or adjacent to the estate, where such land holdings are 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 masterplan 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 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 will become more apparent once the masterplan has been prepared and the perimeter for the future estate determined. Every effort will be employed by the Council to acquire properties by negotiation.

### **Resident Commitments**

- 2.10 If the recommendations in this report are agreed, then the “Key Guarantees” (see Appendix H) (pending refinement and improvement through the proposed wrap up consultation exercise) for secure tenants and homeowners will now be implemented at Fenwick Estate 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; 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 the estate, 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.

### **Reasons**

- 2.11 The reason for recommending complete redevelopment of the estate are set out below.
- 2.12 Redevelopment of the Fenwick Estate provides an opportunity to deliver additional new homes in the Borough and meet the aspirations to create more and better homes. This represents the over-riding objective. Redevelopment of the Estate does, however, meet the other objectives that the Council has previously outlined for the estate regeneration programme.
- 2.13 Refurbishment of the Fenwick Estate would be costly (see Section 3). Given the limited funding available through the HRA and the shortfall of funding for the Lambeth Housing Standard programme, if the Fenwick Estate were to be refurbished, then this would prevent the Council from refurbishing other properties that would be less costly to refurbish. Refurbishment of the Fenwick estate would not represent good value for money.

- 2.14 While recognising preferences expressed by residents for refurbishment or retention of their homes, many people disliked scenarios where retained properties would not be immediately refurbished). They felt it was not preferable to have old and new side by side as this did not solve existing problems and could feel crowded and potentially dividing.
- 2.15 Consideration of the options appraisal included in Appendix B shows that redevelopment of the estate provides the opportunity both to deliver new homes and meet the Council's other regeneration objectives. The massing studies that have taken place as part of the feasibility study demonstrate the capacity of the estate to deliver a net additional number of new homes; while the initial financial feasibility work indicates that there is scope to meet the other objectives (such as 40% of net additional homes being affordable).
- 2.16 From the Residents Brief, it is seen that there is the potential through a redevelopment scenario for the regeneration to provide:
- better quality, warmer, larger homes;
  - improved open space and in particular play provision;
  - more secure access to flats with entry doors to stairwells and minimise number of units per core; and,
  - better lighting across the estate making it feel safer.

### **3. Finance**

- 3.1 The Council is facing significant financial pressure within the HRA capital programme and in particular in funding the Lambeth Housing Standard programme. To help to resolve this funding problem, the Council has identified those estates where the level of work required to bring properties up to the Lambeth Housing Standard would be particularly costly and where in addition it is felt that refurbishment alone would not achieve the goals of the Lambeth Housing Standard Programme. Such refurbishment would therefore represent poor value for money. It was also noted that, in the context of the desperate housing need, there was opportunity on some estates to intensify the use of land and to build more homes. The Fenwick estate was included in a list of six estates in the Cabinet Report of 8 December 2014 to be considered for regeneration in accordance with this value for money investment strategy.

An initial massing study has indicated that it should be feasible to build new homes on the estate as part of a redevelopment while early financial evaluation also suggests that it will be possible to deliver a financially viable scheme. As part of the next stage of work, detailed financial evaluation of the scheme will continue to be undertaken in parallel with the masterplanning to confirm these conclusions; at each key step of the redevelopment process (planning, procurement and funding), the financial performance of the scheme will be reviewed to confirm that it remains viable.

- 3.2 It is not yet possible to quantify the likely impact of the Key Guarantees on the Council; whilst assumptions have been made regarding take up of the offer to leaseholders, the rate and extent of that take up is not yet known. There is potentially a financial risk to the Council in the event of either a CPO or a negotiated buy-back programme and further work is required to quantify and manage this risk.
- 3.3 The costs of the masterplanning development and financial evaluation are currently being funded from capital budgets.

#### **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 re-assignment, pregnancy and maternity, race, religion and belief, sex, and sexual orientation) and persons who do not share it.
- 4.7 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,
  - (c) 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.
- 4.8 Where applicable, the Council, as a contracting authority, must adhere to the rules set out in the Public Contracts Regulations 2015. The threshold above which the award of public services contracts must comply with the full rigour of the Regulations is £172,514 and for works contract the sum is £4,322,012. For over-threshold contracts, contracting authorities must, among other things, publish a contract notice in the Official Journal of the European Union. For public contracts below these thresholds, authorities must give due regard to the general Treaty of Rome principles of openness, transparency and non-discrimination and the observance of the Council's procurement procedures in the selection process would provide compliance in this regard
- 4.11 When considering whether to adopt the recommendations of this report, the decision maker will be exercising discretion within the constraints of the duties referred to above and should therefore have in mind the following principles of administrative law:
- the decision must be within the Council's powers;
  - all relevant information and consideration, including the Council's fiduciary duty to the Council Tax payer, must be taken into account; and,
  - all irrelevant considerations, including unauthorised purposes, must be ignored.
- 4.12 This proposed key decision was entered in the Forward Plan on 16 May 2016 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 the Fenwick Estate which has provided opportunity for residents to shape the Resident's Brief, which will in turn shape the new development. The process by which the engagement has operated is set out in detail in the Consultation Report; this includes a detailed consultation log of all the consultation activity.
- 5.3 Once a decision is taken on the scale of redevelopment of an estate, then it will be made clear to residents whether their home will be part of a redevelopment process or not. This will enable residents to decide on whether they wish to be part of the future of an area and to become involved in developing the masterplan of the estate.
- 5.4 A Resident Engagement Panel has been established at Fenwick Estate, together with an Independent Resident Adviser.
- 5.5 As noted in paragraph 1.19, residents have expressed ongoing concerns. These are addressed below and for those residents, who have wanted to know the details, the following information has been made available to them:
- *The change in tenancy and loss of right to buy.* A consequence of redevelopment would be a change in their tenancy and a loss of the right to buy, if they choose to stay on the estate. The Key Guarantees enable those residents, who value maintaining a secure tenancy and a right to buy, to move to another home with a secure tenancy in Lambeth.
  - *Not getting like for like replacement with particular reference to private gardens and parking provision.* Residents will be provided new homes that meet their housing needs according to the Lambeth Housing Allocations Policy. Given that the estate will be built to a higher density than currently, there will inevitably be a lower proportion of the new properties with gardens. A Local Lettings Plan will be developed for the estate in consultation with residents to set out how new properties will be allocated to residents (for example, prioritising ground floor properties for families and disabled)
  - *Affordability for both homeowners and tenants.* Financial information has been provided to homeowners to make clear the financial implications of redevelopment to them. For tenants, it is estimated that there will be an increase in rents; this could

be between 5% and 20% for different properties. The Council has committed to implement any rent increases on a phased basis over five years in order to mitigate the impact of rent increases. Service charge costs will be considered during the masterplanning and design process.

- *Repairs and upkeep not happening in the interim.* Properties will continue to be maintained by Lambeth’s Housing Management until time for demolition. There will not, however, be any further capital investment in properties.
- *Potentially a long regeneration project and people may be living in inadequate conditions for a long time.* Through the masterplanning process, the Council will work with residents to formulate a development programme (construction phasing, etc) that will minimise disturbance to residents. This may mean enabling people to move only once or may mean seeking to speed up the construction programme through a faster decanting programme, which would require move double moves.
- *Will individual housing needs be met particularly those with caring responsibilities or mobility issues.* After a Cabinet Decision and before masterplanning commences, the Council would carry out a detailed housing needs assessment across the estate to develop a detailed understanding of the needs of every homeowner and tenant so as to ensure that residents who wish to remain on the estate are provided with new homes that meet their housing needs. New homes will be adapted to particular needs of residents, such as those with disabilities.

## 6. Risk Management

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

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
Residents do not feel engaged in the process	H	H	The approach we are adopting is to have direct engagement throughout all the processes and phases.
Residents do not agree with the data on which regeneration, demolition and new build actions are based	M	M	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
We have instances of legal objections or an unwillingness to vacate properties	H	H	The Council is using a wide range of communication methods to work with residents to explain the benefits of estate regeneration at both an individual and collective level.

			<p>Where individual residents have concerns, the Council can work with them to seek to address issues.</p> <p>The Independent Resident Advisor retained to advise residents on options and impacts</p>
Masterplan is too expensive	L	H	<p>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.</p> <p>Financial oversight to be provided by the Financial Planning and Management Team, reporting to the AIMG/AMCAP</p>
Planning permission not granted	L	H	<p>Planning colleagues and advisers to remain engaged throughout masterplan development.</p> <p>PPA in place to ensure engagement</p>

## 7. Equalities Impact Assessment

7.1 There are significant equalities issues that may arise as a consequence of this estate regeneration programme. These will need to be managed through the course of regenerating each estate.

7.2 The Equalities Impact Assessment has been carried out for Fenwick Estate (see Appendix G) to support the recommendation in this Cabinet report to regenerate the entire estate. This Equalities Impact Assessment is based on the information available at the time of this decision and given the level of work that has been carried out so far on the estate. Information that has been used to undertake this Equalities Impact Assessment includes:

- Local and Borough-wide Demographic Data;
- Information held by the Council's Housing Management Database (Northgate);
- Consultation work across the estate over the last six months; and,
- Household Needs Survey (carried out in 2015).

7.3 The Equalities Impact Assessment will be up-dated as the project progresses and more information becomes available. Currently, there are a large BME communities on Fenwick Estate, over 50% of tenants and around 30% homeowners are from Black and Minority

Ethnic communities and significant number of them are a low income household. These group are disproportionality affected.

7.4 The Equalities Impact Assessment will inform the development of supporting strategies for the overall regeneration strategy for the Fenwick 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.

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

- Actions to mitigate the disruption caused by a major redevelopment;
- Engaging all groups through the development of proposals;
- To support homeowners having difficulty in accessing finance (eg. elderly and low income households);
- To address medical and disability needs through the rehousing Process; and,
- Actions to mitigate the potential for increased housing costs.

7.6 A key action that arises from the Fenwick Estate is the need to explore how to mitigate potential living cost increases arising from the regeneration, such as rent increases and service charge changes. Mechanisms that the Council is exploring to mitigate these is to implement a phasing in of new rents over, say, a 5-year period and to ensure that the design brief demands careful consideration of the future service and utility charges on the estates.

7.7 As the development strategy is progressed for the Fenwick Estate, it will be important to consider the whole living cost associated with moving into new homes both in the short and longer term and work with residents to identify ways to minimise the impact of any additional costs.

## **8. Community Safety**

8.1 New development will contribute positively to community safety by removing areas that attract anti-social behaviour and providing more passive surveillance of streets and spaces. The wider regeneration initiatives will promote estate pride and actively design out the potential for crime as part of the development process.

## **9. Organisation implications**

9.1 Environmental

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

9.2 Staffing and accommodation

The Housing Regeneration team will progress this project.

### 9.3 Procurement

An OJEU compliant procurement process is underway to procure development management teams to lead on the masterplanning of Westbury.

### 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 Equalities Impact Assessment).

## 10. Timetable for Implementation Procurement Strategy

10.1 An OJEU compliant procurement process was commenced in the summer of 2015, to procure a development management team to progress the regeneration of the Fenwick Estate through masterplanning, planning and any compulsory purchase and procurement of construction of the project. This has been suspended as a consequence of the outcome of the Judicial Review. If Cabinet decides to confirm redevelopment of all or part of the estate, then this procurement process will be resumed.

### Activities as a consequence of these recommendations

10.2 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.

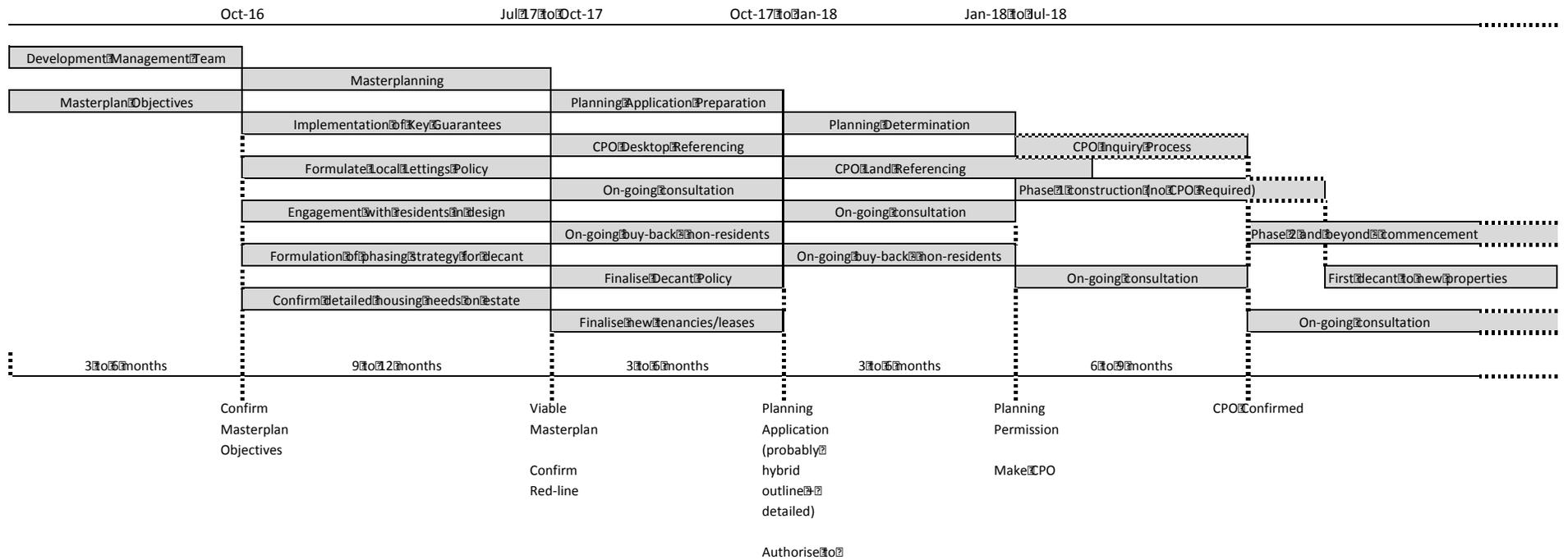
- **Communication:** Letter announcing the recommendation to residents, setting out what this will mean for them (this will be tailored to different residents).
- **Engagement:** Council officers to hold weekly or fortnightly drop-in sessions on the estate (depending on demand) to be available to any resident to drop by and ask questions.
- **Resident Engagement Panel:** If the recommendations in this report are adopted, then the membership of this existing Panel will be reviewed to make sure that it is representative of residents on the estate and furthermore that its members are those who are willing to engage to progressing the redevelopment of the estate.
- **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 affected by the recommendations to consider their options.

### **Timetable**

- 10.3 The diagram on the following page shows a potential programme for Fenwick Estate redevelopment; this will become clearer, refined and more detailed over time.
- 10.4 The programme suggests that first construction of an initial phase of development on the estate could commence during 2018.

Fenwick Estate Redevelopment Indicative Programme



<b>Audit trail</b>				
<b>Name/Position</b>	<b>Lambeth directorate/ department or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Councillor Matthew Bennett Cabinet Member	Cabinet Member for Housing	24/06/16		
Sue Foster, Strategic Director	Neighbourhoods and Growth	17/06/16	30/06/16	
Rachel Sharpe, Director, Strategy and Commissioning	Strategic Housing, Regeneration and Communities	17/06/16	30/06/16	
Christina Thompson, Director of Finance	Finance, Corporate Resources	17/06/16	30/06/16	
Neil Vokes, Associate Director, Housing Regeneration	Strategic Housing, Regeneration and Communities	17/06/16	30/06/16	
Greg Carson, Principal Lawyer	Legal Services, Corporate Resources	21/06/16	27/06/16	
David Rose, Democratic Services Officer	Democratic Services, Corporate Resources	17/06/16	20/06/16	

<b>Report history</b>	
<b>Original discussion with Cabinet Member</b>	June 2015
<b>Report deadline</b>	29 June 2016
<b>Date final report sent</b>	1 July 2016
<b>Report no.</b>	260/16-17
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	Yes
<b>Date first appeared on forward plan</b>	20 May 2016
<b>Key decision reasons</b>	2. Financial expenditure or saving of over £500,000 3. Meets Community Impact Test
<b>Background information</b>	<ul style="list-style-type: none"> <li>• The Community Plan, 2013-16 <a href="http://moderngov.lambeth.gov.uk/documents/s55297/06b%200130403%20Community%20Plan%20FINAL.pdf">http://moderngov.lambeth.gov.uk/documents/s55297/06b%200130403%20Community%20Plan%20FINAL.pdf</a></li> <li>• Delivering Better Homes, Cabinet report, dated 4th Nov 2013 <a href="http://moderngov.lambeth.gov.uk/documents/s61039/07_Delivering%20Better%20Homes.pdf">http://moderngov.lambeth.gov.uk/documents/s61039/07_Delivering%20Better%20Homes.pdf</a></li> <li>• Lambeth Estate Regeneration Programme: Strategic Delivery Approach' (22/10/12) <a href="http://moderngov.lambeth.gov.uk/documents/s50180/06%20Es">http://moderngov.lambeth.gov.uk/documents/s50180/06%20Es</a></li> </ul>

	<p><a href="#">tate%20Regen%20Final 22%2010%2012 NV.pdf</a></p> <ul style="list-style-type: none"> <li>• Building the homes we need to house the people of Lambeth, Cabinet Report, dated 8<sup>th</sup> December 2014 <a href="https://moderngov.lambeth.gov.uk/documents/s70441/03_Lambeth%20Estate%20Regeneration%20and%20Housing%20Delivery%20-%20December%202014%20v3%20docx.pdf">https://moderngov.lambeth.gov.uk/documents/s70441/03_Lambeth%20Estate%20Regeneration%20and%20Housing%20Delivery%20-%20December%202014%20v3%20docx.pdf</a></li> <li>• Building the homes we need to house the people of Lambeth, Cabinet Report, dated 27<sup>th</sup> July 2015 <a href="https://moderngov.lambeth.gov.uk/documents/s76078/Cabinet%20Report%20-%20Estate%20Regeneration%20Update%20-%20July%202015%20v8.pdf">https://moderngov.lambeth.gov.uk/documents/s76078/Cabinet%20Report%20-%20Estate%20Regeneration%20Update%20-%20July%202015%20v8.pdf</a></li> </ul>
<b>Appendices</b>	<ul style="list-style-type: none"> <li>• Appendix A: Site Plan</li> <li>• Appendix B: Options Analysis</li> <li>• Appendix C: Consultation Report</li> <li>• Appendix D: Feasibility Study Design Report</li> <li>• Appendix E: Residents Brief</li> <li>• Appendix F: Financial Appraisal</li> <li>• Appendix G: Equalities Impact Assessment</li> <li>• Appendix H: Key Guarantees</li> </ul>