



**Report for
ACTION**

Item Number: 10

Contains Confidential or Exempt Information	No
Title	Golf Links Regeneration Update (Approval of Lettings Plan and Expenditure on Buybacks and Fees to Redevelop Alnmouth & Portrush, as the next Development Phase)
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Portfolio(s)	Councillor Jasbir Anand – Housing
For Consideration By	Cabinet
Date to be Considered	10 th April 2018
Implementation Date if Not Called In	23 rd April 2018
Affected Wards	Dormers Wells
Keywords/Index	Regeneration Golf Links Estate, Portrush & Alnmouth; Demolition Order; Decant Status; Lettings Freeze Ground 10 Consultation; Compulsory Purchase

Purpose of Report:

To seek authority to freeze further lettings in Alnmouth & Portrush Courts, to ring-fence void properties on the Golf Links Estate for the rehousing of Alnmouth and Portrush tenants, and to confirm expenditure on progressing the scheme in order to appoint a development partner.

1.0 Recommendations

That Cabinet:

- 1.1 Authorise the addition of the Lettings Plan and Expenditure on Buybacks and Fees to Redevelop Alnmouth & Portrush to the HRA Capital Programme for 2018/19. The budget to cover this addition is £3.750m (comprising of £3.600m to cover leasehold buybacks, homelessness payments and £0.150m for the procurement costs of appointing a development partner). This is to be funded from £2.700m of additional capital receipts (yet to be realised), from the outright sale of Adelaide units originally proposed for shared ownership, and £1.050m of retained

Right to Buy receipts. Until these the Adelaide receipts have been secured, the expenditure will need to be financed from the HRA borrowing headroom.

- 1.2 Authorise the Executive Director of Regeneration and Housing to hold all future voids in 1-66 Portrush and 1-18 Alnmouth Courts, to be used as temporary accommodation pending the blocks redevelopment
- 1.3 Authorise the Executive Director of Regeneration and Housing, to adopt a local lettings plan to ring-fence void properties on the wider Golf Links Estate for existing secure tenants in Alnmouth and Portrush who are not pre-allocated elsewhere
- 1.4 Note that it is part of the Golf Links Estate, Southall programme proposed to and agreed by Cabinet on 14th November 2017, giving authority to progress to the next phase for the development, and to agree to allocate secure tenants, and offer resident leaseholders of Alnmouth and Portrush new units being provided at Peterhead Court.
- 1.5 Note that a further report recommending the appointment of a development partner will be made once the selection process has been completed, and funding identified to cover the project.

2.0 Reason for the Decision and Options Considered

- 2.1 Cabinet agreed on 14th November 2017, for 1-18 Alnmouth and 1-66 Portrush Courts to be the next phase of the regeneration of Golf Links Estate.
- 2.2 Cabinet agreed a number of recommendations, including awarding the tenants of the two blocks decant status and to pre-allocate secure tenants in the current redevelopment phase of Golf Links at Peterhead Court; the service of a demolition notice to halt further right to buys; authority to prepare for a compulsory purchase order; and the procurement of legal, design, and cost advice in order to procure a development partner to undertake the regeneration of Alnmouth, Portrush and individual sites.
- 2.3 A housing needs survey currently near completion has identified a preference for many secure tenants to remain on the Golf Links Estate. The redevelopment of Peterhead Court will provide 40 rented units and 28 units for sale. This still leave a substantial shortfall in rented units for those residents in Alnmouth and Portrush not qualifying for Peterhead Court. Consequently, it is recommended any voids becoming available on the wider Golf Links Estate be ring-fenced to be made available to qualifying residents in the two blocks, and only let to other applicants if no qualifying residents bid.
- 2.4 In order to avoid the creation of long-term voids and loss of rent income to the Council while the two blocks are awaiting demolition, voids in

Alnmouth & Portrush will be used, where possible, as temporary accommodation.

- 2.5 For the avoidance of doubt, it is recommended that there is a freeze on further permanent lettings in Alnmouth & Portrush.
- 2.6 The above options allow for the planned decanting of the two blocks of secure tenants in order to facilitate their demolition and redevelopment. In addition, work is progressing to acquire ten leasehold properties from two resident and eight absentee owners.
- 2.7 Work is also progressing to draw up a development brief for replacement housing on the sites of Alnmouth and Portrush, and the associated development of three sites occupied by garages, parking and the local area base in Fleming Road. The funding of this work and the re-purchase of leasehold property will be paid for by receipts from the sale of new build flats at Adelaide Wharf, and where applicable, the use of retained right to buy receipts as outlined in the report to Cabinet 14th November 2017.
- 2.8 Adelaide Wharf is a development of 20 flats for sale being constructed by the Council in Norwood Green, Southall, overlooking the Grand Union Canal.

3.0 Key Implications

4.0 Financial Implications

- 4.1 It should be noted that Alnmouth and Portrush are not part of the existing new build programme. It is part of a new programme proposed to and agreed by Cabinet on 14th November 2017. This authorised the Executive Director of Regeneration & Housing to serve a demolition notice in respect of 1-18 Alnmouth and 1-62 Portrush Courts and agreed in principle to make a Compulsory Purchase Order to acquire compulsorily the third-party interests at Alnmouth & Portrush Courts. This report requests authority to include this project in the existing HRA Programme as authorised in January 2018.
- 4.2 The regeneration of Alnmouth and Portrush and associated small sites will be undertaken by a development partner so any money spent in securing vacant possession of the blocks, compiling a development brief and procurement of the development partner through OJEU will be repaid from the development.
- 4.3 The cost of leaseholder buybacks during 2018-19 will be covered by receipts from the sale of Council new build units at Adelaide, and use retained Right to Buy receipts (to cover up to 50% of costs) to enable a number the use of these units as temporary accommodation prior to redevelopment. Table 1 below is taken from the 14th November Cabinet report and amended to include the use of RTB receipts and additional

£0.150m to cover procurement costs in 2018/19. Demolition is now likely to be undertaken in 2019/20.

Table 1

	Year 1 2018/19	Year 2 2019/20
<i><u>Expenditure</u></i>	£m	£m
Buybacks & Homeloss Repayments	£3.600m	
Procurement costs	£0.150m	
Demolition		£0.500m
Total	£3.750m	-
<i><u>Funded By</u></i>		
Adelaide additional sales income	£2.700m	
RTB 1-4-1 on 50% buyback costs for repurchased unit use as temporary accommodation x 7 units	£1.050m	
Land receipt from Developer		£0.500m
Total	£3.750m	

4.4 The Adelaide Additional Sales Income is based on units originally proposed as Shared Ownership being changed to units for outright sale, will generate the additional capital receipts needed to fund the propose buybacks and homeloss payments. This was included the report to Cabinet of 14th November 2017.

4.5 The projected additional income is calculated as follows:

20 Units X £300,000 = £6.000m Estimated Capital Receipt from 100% sale

Less: Pre-committed sum of £1.914m for Adelaide Redevelopment

Less: SO Unit grant of £0.420m

Balance available for Buybacks & Homeloss repayments = £3.666m

Projected Allocation to Buybacks & Homeloss repayments = £2.700m

4.6 With regard to the 1-4-1 RTB receipts that are being requested to fund 50% of the buyback costs, the property needs to meet requirements that the buybacks are re-let at lower than the affordable rent cap, otherwise the RTB receipts cannot be applied.

4.7 Until the additional capital receipts are generated, the funding will be drawn from the Council's HRA borrowing headroom, which will effect the overall cost of borrowing.

5.0 Legal Implications

- 5.1 The statutory provisions within Part 6 Housing Act 1996 permit the Council to transfer existing secure tenants of properties subject to regeneration proposals to alternative properties without needing to make those alternatives properties available for bidding by other persons on the housing register. Where the Council does decide to make the alternatives properties available for bidding by other persons on the register, it can prioritise existing tenants of the properties subject to regeneration proposals.
- 5.2 Properties in Alnmouth and Portrush Courts which become void can be let to persons owed a homeless duty under Part 7 Housing Act 1996. By virtue of paragraph 4 of Schedule 1 to the Housing Act 1985 the tenancies granted to such persons will be not be secure tenancies.

6.0 Value for Money

- 6.1 The proposed redevelopment of Alnmouth and Portrush Courts will stimulate wider investment in Golf Links Estate and surrounding area in a variety of tenures as well as providing a future rented asset to the Council with an anticipated life of at least 60 years. The project will be constructed by a developer partner appointed through the OJEU process to ensure efficiency and effectiveness in securing a partner to provide value for money and qualitative returns to the Council in the maximum number of affordable housing units created through this approach.

7.0 Sustainability Impact Appraisal

- 7.1 The new scheme will be constructed to meet current London Plan standards and Lifetime Homes, and Secure by Design, and where feasible measures will be included to address fuel poverty by making buildings highly insulated to reduce heating costs.

8.0 Risk Management

- 8.1 A risk matrix will be prepared identifying risks such as cost and time overruns and their mitigation at each stage of the project.

9.0 Community Safety

- 9.1 The new development will be deigned to improve community safety.

10.0 Links to the 6 Priorities for the Borough

10.1 Prosperous

There is an opportunity for resident involvement in a local labour initiative as part of this project to provide employment opportunities. Expansion of the community centre crèche will allow more carers to enter employment.

10.2 Safer

The newly designed development comprises high quality homes designed to improve community safety and the Police will be consulted

during the design process to ensure developments are “secure by design”.

10.2 Healthier

The further regeneration of Golf Links will improve public health through better design of housing and the alleviation of overcrowding. Provision has been made for residents with disabilities and the provision of wheelchair accessible housing. Dormers Wells ward in which the scheme is situated is within the top 5% most deprived areas in the UK.

10.3 Cleaner

The incorporation of good design will ensure that hidden and isolated areas will be less likely to suffer from fly-tipping.

10.4 Fairer

The allocation of new housing will include existing residents who have lived in poor and overcrowded housing.

10.5 Accessible

Redevelopment of new homes to London Plan standards improves accessibility in the home and appropriate levels of parking outside especially for those with disabilities assists accessibility outside the home.

11.0 Equalities, Human Rights and Community Cohesion

11.1 The allocation the new homes at Peterhead Court and wider Golf Links area to the existing residents will help to build and retain community cohesion. A full Equality Analysis Assessment is not applicable.

12.0 Staffing/Workforce and Accommodation implications:

12.1 The project can be accommodated within the existing workload of Housing Supply and Regeneration & Housing. The Area Office in Fleming Road will be relocated into the building currently being used as a temporary community centre and nursery next to Portrush Court, once the new community centre and nursery is opened in the rebuilt Peterhead Court in the summer of 2018.

13.0 Property and Assets

13.1 The intention is that new affordable homes be re-provided after the redevelopment of Portrush Court will remain in the ownership of the Council and that private sale units will be sold on the open market to fund the scheme.

14.0 Any other implications:

14.1 None foreseen.

15.0 Consultation

15.1 An initial well attended consultation event took place with residents of Alnmouth Court and Portrush Court was carried out on 24th October, 2017 and residents expressed support approval for the Council proposals. This has been followed by drop-in in sessions at the temporary community centre in order for process tenants applications for rehousing. An on-going programme of resident consultation will take place as the scheme develops.

16.0 Timetable for Implementation

16.1 The proposed outline timetable is set out below:

	Year
Selection of development partner	2018/19
Rehouse tenants from Alnmouth & Portrush/Leasehold purchases	2018/19
Demolition of Alnmouth and Portrush Courts and transfer of land of these and other sites to development partner by a development agreement	2019/20
Commence construction of new housing	2020/21

17.0 Background Information

- Cabinet Report 14th November 2017 Golf Links Estate Southall, Regeneration Update

Consultation

Name of consultee	Post Held	Date sent to consultee	Date response received	Comments appear in paragraph
Internal				
Lucy Taylor	Executive Director of Housing & Regeneration			
Jackie Adams	Head of Legal (Property and Regulatory)	01/03/18		Para 5 Legal
Keith Robinson	Senior Lawyer (Housing)	01/03/18		
John Prince	Interim Finance Business Partner, Regen & Housing	01/03/18	??/03/2018	Para 4 Financial
Paul Miller	Procurement			

Councillor J. Anand	Cabinet Member for Housing			
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Report History

Decision type:	Urgency item?
Report No:	Dave Baptiste Head of Housing Development Ext 6858
	Mike Kirk Development Consultant Golf Links Ext 7522

First Draft 1st March 2018