



CABINET

13th February 2019

Subject Heading:

PUBLIC AGENDA REPORT

**Havering and Wates Regeneration LLP
Business Plan and Budget 2019/2020**

Cabinet Member:

Councillor Osman Dervish, Lead Member
for Environment

SLT Lead:

Neil Stubbings - Director of Regeneration

Report Author and contact details:

Lauren Sinclair - Regeneration Client
Manager

Lauren.Sinclair@havering.gov.uk

01708 434 379

Policy context:

Havering Housing Strategy 2014-2017

National Planning Policy Framework 2012

Draft London Plan 2017

Emerging Havering Local Plan 2017

HRA Business Plan 2017-2047

Romford Housing Zone - Overarching
Borough Agreement with the GLA

Havering Local Development Framework
and Romford Area Action Plan 2008

Romford Development Framework 2015

Financial summary:

This report presents an update to the Havering and Wates LLP (the "Joint Venture") Draft Business Plan 2018 comprised in the legal agreements of the limited liability partnership pursuant to Cabinet decision on 17th January 2018.

The detailed financial arrangements for each site are contained within the exempt agenda report.

Is this a Key Decision?

Yes

When should this matter be reviewed?

Autumn 2019

Reviewing OSC:

Towns and Communities OSC

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[✓]
Places making Havering	[✓]
Opportunities making Havering	[✓]
Connections making Havering	[✓]

SUMMARY

The council's over-arching vision for setting up the Havering and Wates Joint Venture (HWR) was to facilitate the regeneration of key areas of the borough; to kick-start renewal of key town centres and estates; and deliver truly affordable homes for local people. In addition, it would ensure good quality design of buildings and places by being a joint owner of the development company, thus giving greater control than reliance on the planning process and ensure delivery of key infrastructure requirements. Any returns to the council are being identified to fund future regeneration programmes across the borough and help fund renewal of our cherished town centres across the borough at a time when the traditional high streets are under significant threat from changing consumer habits.

When Cabinet agreed to establish the JVLLP, this was on the basis that there would be regular (annual) reviews and Cabinet would be asked to agree material changes to the business plan on an annual basis, in line with the annual budget setting process. This is the first of those reviews.

The key inputs into the financial models have been reviewed and externally validated. The key inputs are construction costs, expected sales revenues, land values plus other costs such as expectation on s106 and CIL payments. In addition, other changes such as total number of residential properties, bedroom size mix, areas of non-residential use have been updated as the design and planning process proceeds. This includes the inclusion of the impact of consultation and engagement events through the planning process.

The updating of these numbers in the viability models and then into the council's financial dashboards means that this report is able to inform Cabinet of any changes to the expected outputs from the JV as well as informing Cabinet of any changes in the financial position of the JV and our financial commitments to the JV as an investor. This report not only informs Cabinet of changes but also seeks approval of the new Business Plan and the expected financial commitments.

The original decision to set up the JV was informed by key indicators on the viability and outputs. Those key indicators were: Overall % return, Overall financial return, initial stake (Equity: borrowing and land value), impact on the MTFS from the cost of borrowing in the early years, total number of units, number of affordable housing units. These metrics are considered to be the key indicators to identify the viability, outputs and potential financial risks.

Further financial details are captured in the exempt agenda report.

RECOMMENDATIONS

1. **Approve** the Havering and Wates Regeneration Joint Venture Business Plan dated January 2019, as attached at the exempt agenda report.
2. **Agree** to delegate to the Leader of the Council, after consultation with the s151 Officer, the Director of Regeneration and the Director of Legal and Governance, the authority to approve the business cases, related viability assessments and incorporation of an opportunity site known as Chippenham Road as may be presented during the Business Plan 2019-20 period.
3. **Agree** that the s151 Officer responds to the service of any notice as described in the exempt agenda of this report served by the HWR indicating a willingness or otherwise to participate in making third party debt available from the Council, subject to contract and due diligence.
4. **Agree** that the s151 Officer, after consultation with the Chief Executive and the Leader of the Council, may enter into 3rd Party funding agreements consistent with the Treasury Management Strategy and the Councils Scheme of Delegation
5. **Authorise** the Director of Regeneration in consultation with the Director of Legal and Governance to make variations to the JV Development and Members agreements to enable forward funding of Napier and New Plymouth and inclusion of the Chippenham Road site into the Havering and Wates Regeneration LLP.
6. **Agree** the phasing and works packages for the 12 HRA Regeneration Sites, as identified at 2.1, subject to any changes made by the Leader in approving the business cases.
7. **Authorise** the Director of Housing to arrange for the service of demolition notices at the appropriate time in relation to all affected properties on the named estates and schemes in this report.
8. **Agree** to continue to develop the proposals for the Blue Line and Opportunity Sites.

REPORT DETAIL

1.0 Background

- 1.1 In June 2016 and October 2016, Cabinet received reports which proposed to increase the number of affordable homes on housing sites owned by the Council. As a result of the information provided to Cabinet, 12 sites vested in the HRA were identified for regeneration.
- 1.2 Key requirements of the project are for the Council to retain the long-term freehold of the land; retain management of the affordable housing; jointly deliver the new developments and to aim to double the amount of affordable housing on the sites. The objectives for the programme were presented in the Business Case that was agreed by Cabinet in January 2018.
- 1.3 In January 2018, following a Competitive Dialogue procurement process, Cabinet agreed to the formation of HWR; a joint venture established with Wates Residential by entering into a Members' Agreement for the purpose of meeting the Council's regeneration objectives for the 12 HRA sites, on the basis of the Business Case and Legal Summary contained in the Exempt Agenda Report.
- 1.4 HWR has been established as a long-term development partnership to facilitate a programme of residential-led regeneration and estate renewal across an initial tranche of 12 Council-owned housing sites. The joint venture partnership enables both partners to share costs and long term financial risk associated with development whilst retaining a degree of control, ensuring that social and economic benefits remain a focus.
- 1.5 The Council has the right to acquire any affordable housing at a pre-agreed value and allocate those properties via the Council's Housing Register in accordance with its Allocation Policy.
- 1.6 The Council's objectives for this programme have been enshrined into the Members Agreement between the JV partners as objectives for HWR. As a development company HWR will procure design, obtain planning permission, develop, market and sell/let each scheme for the best value achievable.
- 1.7 The JV's development strategy has been developed to illustrate and explain the programme to achieve the following key objectives and milestones for the Havering Housing Regeneration Programme. This includes:
 - Collaboratively developing the design with sign-off at each RIBA design stage.
 - Procuring early stakeholder engagement, consultation and input into the design.
 - Obtaining Planning Consent for each site as early as possible.

- De-risking the individual sites at the earliest opportunity, particularly with respect to statutory service providers, existing site environments and geotechnical conditions.
- Ensuring resilience within our programmes to manage the remaining risks.
- Optimise the quantity and range of affordable housing product to be re-provided.
- Commencement of work on the first 3 sites in Quarter 4 of 2019.
- Robust alignment of construction pace to the sales rates based on specialist advice received.
- Delivering high quality places that foster long term growth of Havering.

2.0 Progress

2.1 Due to the quantum of development across the programme, the 12 individual sites have been grouped to create four works packages for development. Each work package has been bundled to produce a viable development package; with more profitable sites being used to cross-subsidise the cost of delivering otherwise unviable and undeliverable sites. These work packages are detailed below.

Work Package One

- Waterloo Estate
- Queen Street (as part of the Waterloo Estate)
- Napier & New Plymouth (NNP)
- Solar, Serena & Sunrise Court (SSS)

Work Package Two

- Farnham and Hildene
- Brunswick Court
- Chippenham Road (subject to recommendation 5)

Work Package Three

- Maygreen Crescent
- Delderfield House
- Dell Court

Work Package Four

- Oldchurch Gardens
- Royal Jubilee Court
- Delta Estate

2.2 The sites in Work Package One were prioritised by the Council in October 2016. With reference to the headline programme below, it is anticipated that all sites in Work Package One will achieve a start on site by December 2019.

	Napier and New Plymouth House	Solar, Serena, Sunrise	Waterloo Estate
Enter into JV LLP	April 2018		
Submit Planning	March 2019	April 2019	June 2019
Start on Site	December 2019	December 2019	December 2019
1 st Handover	July 2021	December 2021	December 2021
Final Handover	December 2021	April 2022	January 2023

- 2.3 Since April 2018, the JV has worked to progress the planning programme on these sites. A planning performance agreement (PPA) between the JV and Council's planning department has been completed, including a revision (dated September 2018). This agreement forms the basis of the overall planning strategy, including the scope of the planning application, deliverables (submission documents) and planning programme.
- 2.4 A significant amount of progress has been made towards agreeing acceptable schemes. The broad principles of development have been agreed including to an extent the masterplans for each site which are informing the layout of the schemes (with the detail still evolving). Discussions regarding the massing are ongoing with much agreed, subject to technical survey work still to be reported, consultation and meetings ongoing to agree housing mix, parking, energy strategy and so on. In December 2018 an Environmental Impact Assessment (EIA) was submitted to the LBH Planning Department for the Waterloo Estate proposal.
- 2.5 As an integral part of the planning process, the JV has facilitated and attended a number of planning consultation meetings with key planning stakeholders, including:
- Pre-Application Meetings with LBH – formal pre-application meetings have been held with LBH Planning (including Urban Design and other Officers) for all three sites, as well as attending a number of design focused workshops and one-to-one meetings with Officers outside of the formal process established by the PPA. This is to ensure the momentum of the pre-application process and to de-risk design and planning issues ahead of formal submission.
 - Pre-Application Meetings with GLA / TfL – initial strategic informal meeting held with the GLA. Subsequent formal pre-app meeting to cover the three sites.
 - Quality Review Panel (QRP) – meetings have been held with LBH's preferred design review partner (Frame Projects). This includes site visits and formal review meetings with the panel for the three sites.

- Public Consultation Exhibition – initial resident consultation event and a round of formal public consultation have been undertaken on each site.
- Bespoke Meetings – to cover specific matters, for example TfL Liveable Neighbourhoods and proposals for the A1306; and honing the brief for SSS etc.

2.6 As part of the Council’s responsibility to obtain vacant possession of the sites, Council Officers have continued to work with residents to either move them to a new home or purchase their property. The table below shows that good progress has been made regarding the ongoing Council tenant decant programme and leaseholders/freeholders buyback programme. The Solar, Serena, Sunrise Court sheltered scheme is now completely vacant.

Site	No. of resident in Temp. Housing	No. of Council Tenants		Leasehold/freehold purchases	
		Tenants matched	Tenants unmatched	Purchases Underway	Valuation Instructed
Waterloo Estate (inc. Queen Street)	88	12	13	13	18
Napier & New Plymouth House	0	0	0	4	1
Solar, Serena and Sunrise	0	0	0	0	0
Total	88	12	13	17	19

2.7 It has been proposed by the development team and agreed in principle by HWR Board that due to the progress of the vacant possession programme Napier and New Plymouth House and Solar, Serena and Sunrise Courts will be considered for early demolition prior to issuing a Build Licence to Wates Residential. As well as securing the site, early demolition would also facilitate initial enabling works which would expedite the delivery of new homes across both sites. Up to six months could be saved on the construction programme if demolition was brought forward.

2.8 To achieve this and uphold the Development and Members Agreement between the JV Partners, approval must be sought by the Council’s Cabinet to issue a demolition contract to Wates Construction. A separate report to Cabinet is contained elsewhere on the Cabinet Agenda.

2.9 As part of the strategy to reduce the homelessness pressure on the General Fund, properties vacated by secure tenants and leaseholders on the Waterloo Estate have been used as temporary housing for homeless households. Housing Services are now working to find these households suitable alternative accommodation.

2.10 Where required, as a measure of last resort, the Council will issue Notices of Seeking Possession to Council tenants living on the estates. Tenants have been notified of the process, and have access to 1-2-1 support from LBH Officers. In addition to this, officers may request that Cabinet consider giving approval to make a Compulsory Purchase Order (CPO). Approval will be sought as and when required.

2.11 Currently 98% of tenants are satisfied with the service they received during the rehousing process. The support provided by the regeneration and sheltered housing officers has been valued greatly.

2.12 The Council has continued its programme of consultation which is vital to the successful delivery of this Regeneration Programme. Any form of estate regeneration must have wide public support achieved through regular engagement.

2.13 Since June 2016, the Council has consulted extensively with all residents on the affected sites:

- To date, over 100 site specific meetings have been held, including resident meetings and neighbour meetings for those affected by the housing Regeneration Programme.
- A total of 61 site specific newsletters have been issued to date which detail the progress of the Regeneration Programme and respond to site specific issues raised by residents in and between consultation meetings.
- 80 site specific meetings have been held in the sheltered schemes being retained.
- There have been in excess of 2,100 attendees at the site specific meetings.
- Decant satisfaction survey results identify over 97% of the residents rehoused were satisfied with the overall process.
- Specific information provided for leaseholders.

2.14 In February 2018, the Mayor of London published his Good Practice Guide to Estate Regeneration where he identified the key principles of good consultation:

- Transparent – all the issues and options should be set out in clear, accessible and non-technical language, with information that has influenced any decisions being shared as early as possible;
- Extensive – every reasonable effort should be made to engage with as broad a range of groups as possible, including primarily the residents of an estate, and also those living and working on or near it;

- Responsive – consultation should result in clear actions that arise directly from the views expressed by respondents; and
- Meaningful – views expressed during the process should be considered, and, where landlords do not agree with responses, they should give explanations for the alternative course of action that they have taken.
- Ballot – the requirement for a ballot is only needed where GLA money is being used and where over 150 homes are being built.

3.0 Scheme Review

- 3.1 The current scheme designs and development financial model anticipates that 1,786 new homes will be delivered in Work Package One, 40% of which will be affordable. The model now also assumes that up to 185 private rental units will be purchased from HWR by Mercury Land Holdings or another private rented housing provider.
- 3.2 Compared to the draft business plan which was adopted in April 2018, 62 less homes will be delivered across Work Package One. This is a result of revised financial viabilities, more informed site survey information and evolution of the design solutions.
- 3.3 In line with the Council’s objective to maximise the number affordable homes across its regeneration programmes, further capacity studies were commissioned on the remaining eight sites in work packages two, three and four. Based on updated capacity studies, financial appraisals and further consultation with stakeholders, up to 3,730 new homes could be developed within the red line of the 12 site programme. In addition to this, the Chippenham Road opportunity site could deliver 206 new homes. This is shown in the table below.

Site	Affordable Rented	LCHO	Open Market Sales	Private Rent	Total
Waterloo Estate (and Queen Street)	286	232	705	185	1408
Napier and New Plymouth House	145	0	55	0	200
Solar, Serena, Sunrise	55	0	123	0	178
Farnham and Hilldene	145	0	395	0	540*
Brunswick Court	54	0	0	0	54
Maygreen Crescent	94	23	177	0	295
Delderfield House	22	0	0	0	22

Dell Court	29	0	51	0	80
Oldchurch Gardens	122	0	184	0	306
Royal Jubilee Court	53	0	99	0	152
Delta Estate	149	50	296	0	495
Subtotal - Red Line	1,154	305	2,086	185	3,730
Chippenham Road – Opportunity Site	98	42	66	0	206
Grand Total	1252	347	2,152	185	3,936

*assumes maximum development capacity achieved through wholesale redevelopment

- 3.4 Based on the 3,936 model, the programme would deliver 40% affordable housing, whilst more than doubling the number of affordable homes across the sites. These figures are summarised for comparison in the table below:

	Now	Future	Change
Total number of homes	888	3936	+443%
Occupied General Needs homes	434	1039	+239%
Occupied Sheltered rented homes	181	213	+32
Low Cost Home Ownership	0	347	+347
RTB losses	159	0	-159
Total occupied affordable homes	622	1599	+257%

- 3.5 The updated financial model and increased number of new homes assumes the wholesale redevelopment of the Farnham and Hilldene Estate. Previously, officers explored the prospect of adding up to two storeys of lightweight construction above the homes that are currently on site, which indicated a net gain of 63 new homes for LCHO. Following consultation with residents and their expressed dissatisfaction with their current accommodation, master planners were asked to explore the possibility of wholesale redevelopment of the site.
- 3.6 The re-evaluated capacity study of the red line indicates that up to 540 new homes could be delivered, as well as the re-provision of the commercial units. Wholesale redevelopment of the site would include the demolition and redevelopment of 145 rented and leasehold homes, and commercial outlets. Therefore, as part of the development process, demolition notices will need to be served to properties included within the site boundary. Through this Cabinet report, approval is being sought to issue demolition notices at the appropriate time to the tenants and leaseholders on this site, subject to further consultation.
- 3.7 For the Council, the option of wholesale redevelopment could be an opportunity to rejuvenate the entire Harold Hill district town centre. The regeneration will be carried out on a phased basis, as a part of a strategy to

minimise disruption to residents and businesses. The financial modelling for the wholesale redevelopment option will be subject to Cabinet approval of a detailed business case once the proposals have been further developed.

- 3.8 The move to wholesale regeneration will need careful engagement with existing businesses. The vision is to keep existing businesses in the newly generated scheme, providing them with modern, improved premises in a well-designed district centre. The additional homes will also provide added footfall and income for the businesses. The new scheme will be designed in a way that will mitigate much of the anti-social behaviour reported in the area associated with poor design.
- 3.9 In October 2018 Government made the decision to lift the HRA borrowing cap to enable councils to build more affordable homes and in November 2018, the Council was successful in securing £24.0m of the GLA Building Council Homes for Londoners Grant. This additional financial capacity, together with the Council's ambition to increase the delivery of affordable housing within the borough, has enabled work to continue to identify further opportunities for housing development. The Council has already secured £33.0m of Affordable Housing Grant and Housing Zone funding from the GLA in connection with the 12 Sites project.
- 3.10 To date a number of additional opportunity and "blue line" sites have been identified by officers for possible regeneration. Based on the capacity studies carried out on these seven opportunities and blue line sites, an additional 1,493 new homes could be delivered, 43% of which would be affordable. Each of the blue line sites has been subject to independent valuation advice to quantify site assembly costs, capacity studies and financial viabilities. As the details of these proposals are developed, further appropriate authority will be sought from Cabinet to include with subsequent HWR Business Plans.
- 3.11 Chippenham Road in Harold Hill has been identified as an opportunity site for regeneration. The site is adjacent to the Harold Hill district town centre and comprises a Council-owned office due to be vacated in early 2019. This, together with a low number of Council and privately owned residential stock and a limited number of other uses, presents a good opportunity for housing-led regeneration.
- 3.12 Capacity studies and preliminary planning assessments indicate a scope to deliver 206 new homes, 68% of which would be affordable. Following consultation with all interested parties, the Council will seek to commence site assembly activity prior to the site being adopted by HWR.

4.0 Financial Review

- 4.1 The business case assumptions have been updated to both reflect anticipated economic conditions and also the anticipated increase in housing number and sequencing of land assembly. The key changes are summarised in the following text and in the exempt agenda report.
- 4.2 **Unit Numbers** – The financial review assumes an additional 618 units will be delivered across the 12 site programme. This is mostly attributable to the proposed wholesale redevelopment of the Harold Hill district town centre as part of the Farnham and Hildene regeneration proposal. The development of the Chippenham Road site adds an additional 206 units to the 12 site total; a total uplift of 824 new homes from 2018.
- 4.3 **Affordable Housing** – the updated financial model assumes an additional 273 affordable units across the 12 sites. The Chippenham Road site will increase this by 140 to create a total uplift of 413 affordable homes. This will deliver 40% affordable housing across the programme.
- 4.4 **Vacant Possession** - The new model assumes that the Council will fund the costs of achieving vacant possession of work packages two and beyond. This allows the Council to remain in control of delivery of vacant possession. The previous assumption was that these costs would be funded from the JV. As the Council is funding the costs, the value of the land (with vacant possession) transferred to the JV will increase. In addition to this, the HRA will also benefit from the rental income generated by properties used for short-life lets. On the basis that these units are re-let, the overall costs to acquire these units will be lessened by the use of 1-4-1 right-to-buy receipts.

REASONS AND OPTIONS

5.0 Reasons for the decision:

- 5.1 To incorporate revised assumptions and an updated programme into the Business Plan for the period 2019-20.
- 5.2 To continue to secure the Councils regeneration objectives for the 12 Site Regeneration Programme.
- 5.3 To include an additional site to facilitate further housing delivery including that of new affordable homes.

Other options considered:

- 5.4 The adoption of the Business Plan is a consent matter. Without the Council's approval, as a Member of the LLP, the revised Business Plan could not be adopted and the current Draft Business Plan would be maintained. The

Council is in contract with Wates as a commercial partner for the delivery of the regeneration of sites within work package one and share the associated costs. These commitments will need to be upheld.

- 5.5 Not approving the revised Business Plan may have a negative impact on the Council's ability to continue funding land acquisition which in turn will have implications with delivery targets including affordable housing delivery and achieving targets agreed with GLA in the Overarching Borough Intervention Agreements.
- 5.6 Not adopting the revised Business Plan may also give rise to negative market sentiment with a consequential impact on the wider development market that this scheme would otherwise seek to stimulate.

IMPLICATIONS AND RISKS

6.0 Financial implications and risks

6.1 The update of the Havering and Wates Regeneration JVLLP (HWR) business plan has significant financial implications for the Housing Revenue Account, Treasury and Capital Programme. This incorporates the outputs from: -

- HWR JVLLP Business Plan refresh,
- Chippenham Road Viability Plan, and;
- Indicative capital and revenue implications of: -
- Work Packages 2,3 and 4 red line sites [8 sites],

The following key changes have been incorporated into the latest refresh of the HWR Business Plan and Opportunity Site Assessments. Due to the commercially sensitive nature of this information, details have been set out in the exempt agenda report.

(a) Compulsory Purchase Order

- 6.2 The Council and the JVLLP will seek to acquire the properties on all sites by negotiation. If this is not possible, it may be necessary to acquire properties by use of the Council's CPO powers.
- 6.3 It was originally intended that for the remaining eight sites, the costs of achieving vacant possession would reside with the JVLLP. However, it is proposed for the Council to assume responsibility for all 12 sites.

7.0 Legal implications and risks:

7.1 This report seeks authority to implement the first Work Package of the programme that was authorised by Cabinet on 17 January 2018, based on the latest worked up proposals for development contained in the 5 year

business plan, and detailed 2019/20 business cases, for which approval is also sought. The financial implications of the proposed development will continue to fluctuate with market and material fluctuations and tender prices.

(a) Procurement Law

7.2 Due to the commercially sensitive nature of this information, details have been set out in the exempt section of this report.

(b) Powers

7.3 Over the last year much work has been undertaken in shaping the Business cases for each of the estates as well as the overall Business Plan. This report seeks authority to implement the first Work Package of the programme that was authorised by Cabinet on 17 January 2018, based on the latest worked up proposals for development contained in the 5 year business plan, and detailed 2019/20 business cases. The Leader will approve individual business cases. The financial implications of the proposed development will continue to fluctuate with market and material fluctuations and tender prices as set out in the risk and sensitivity sections in the exempt report.

7.4 The Council has entered into the Joint Venture LLP with Wates pursuant to a number of powers including the Housing Act 1985, the Housing and Regeneration Act 2008, incidental powers in the Local Government Act 1972 and the general power of competence in section 1 of the Localism Act 2011, which enables the Council to undertake any activity an individual could undertake, subject to any statutory constraints on the Council's powers. Since an individual would be able to participate in a corporate joint venture, in the same way the Council would be able to participate, by subscribing equity and providing loans and other financial investment.

(c) Disposal of Land

7.5 An important statutory constraint relates to the disposal of land. The Council has powers under section 123 Local Government Act 1972 to dispose of non-housing land. Consent of the Secretary of State is required for a disposal which is at less than the best consideration reasonably obtainable.

7.6 The Council has power to dispose of housing land under the provisions of the Housing Act 1985. Consent of the Secretary of State is required to dispose of housing land. The Secretary of State has issued some general consents. If the general consents do not apply then specific consent will need to be sought. In the event of disposal of land under the Joint Venture arrangements, it will be necessary to consider the appropriate powers and consents for the disposal of each estate.

7.7 Where land cannot be acquired by agreement then ultimately the Council will have to consider exercising its powers to compulsory purchase leasehold/freehold interests. In relation to secure tenancies separate

consultation as regards to decanting tenants is necessary pursuant to section 105 of the Housing Act 1985 (consultation on matters of housing management). Where a secure tenant refuses to move, or has refused the offer of other suitable alternative accommodation, the Council has the legal right to gain possession of the property for decanting/redevelopment purposes. The two grounds for possession relevant to regeneration are Grounds 10 and 10A under Schedule 2 of the Housing Act 1985. Notices may be served on these grounds to ensure vacant possession of the properties. The Court has discretion on whether to order possession, and needs to be satisfied that suitable alternative accommodation is available at the date of the hearing.

- 7.8 It may be necessary to appropriate parts of the 12 Estates to town planning purposes (following the grant of planning permission but before final disposal). This would enable the Council to take advantage of Section 203 Housing and Planning Act 2016 (formerly Section 237 Town and Country Planning Act 1990). This effectively 'cleans the title' by converting any third party rights (other than those belonging to public utilities) to a right to compensation, which would then be picked up as an additional project cost.
- 7.9 The Council is now contractually committed to progress the project through the HWR in accordance with the agreements that have been entered into between the parties.
- 7.10 The report also seeks authority for the Director of Housing to serve demolition notices in relation to all affected properties on the named estates and schemes outlined in this report. To ensure that the programme is implemented taking into account tenants' ability to exercise their right to buy, the Council can serve an "initial demolition notice", specifying the demolition date, which should prevent a RTB claim arising. The Housing Act 1985, sections 138A, B, C and Schedules 5 & 5A of the Act prescribes the requirements and compensation provisions.
- 7.11 The Council also has a fiduciary duty to spend funds wisely and balance the interests of the tenants and leaseholders who pay into the HRA against the needs and requirements of those future tenants and residents who will benefit from the development of the 12 Estates through the HRA.

8.0 Human Resources implications and risks:

8.1 None

9.0 Equalities implications and risks:

9.1 The public sector equality duty under section 149 of the Equality Act 2010 ("PSED") requires the Council when exercising its functions to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who

share protected characteristics and those who do not, and to foster good relations between those who have protected characteristics and those who do not. 'Protected characteristics' include: gender, race and disability, sexual orientation, age, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to improving the quality of life for all, and supports wider social and economic growth through social and physical regeneration.

- 9.2 The wider implications associated with the project are addressed in the overarching Equalities Impact Assessment (EIA) appended to the January 2018 Cabinet report - 12 HRA Sites JV Procurement – Entering into a Limited Liability Partnership. Consequently all matters associated as a result of entering this agreement are addressed.
- 9.3 Officers are about to embark on a commissioning process to update site specific EIAs to re-evaluate the need of individuals and households affected by this regeneration programme. This will also include a site specific EIA for the Chippenham Road opportunity site.

BACKGROUND PAPERS

None