



CABINET

17th March 2021

Subject Heading:

Regeneration of Harold Hill (Farnham, Hilldene, Chippenham Road and Abercrombie Hostel)

Cabinet Member:

Councillor Damian White- Leader of the Council and Portfolio Holder for Regeneration.

SLT Lead:

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Policy context:

Havering Housing Strategy 2014-2017
National Planning Policy Framework 2012
Draft London Plan 2017 (Adoption 21)
Emerging Havering Local Plan 2017
HRA Business Plan 2021-2051
Prevention of Homelessness and Rough Sleeping 2020-2025

Financial summary:

This report sets out the proposal to take forward the regeneration of the Farnham, Hilldene and Chippenham Farnham and Hilldene district town centres under a Council led approach. The proposal would have both General Fund and HRA implications.

This report seeks Cabinet approval in principle to invest a maximum of £192.8 million HRA and £21.7 million General

Fund of capital expenditure to support the construction of affordable housing, a new Hostel, commercial and retail assets and a medical centre.

Is this a Key Decision?

This is a key decision

When should this matter be reviewed?

Spring 2021

Reviewing OSC:

Towns and Communities OSC

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

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

SUMMARY

- 1.1 Harold Hill has, for many years, and continues to be, one of the most deprived areas not only in Havering but in London. To try to rectify this, Harold Hill has been the focus of a previous Council led regeneration programme called Harold Hill Ambitions. In essence, the programme was hugely successful in delivering a physical and community regeneration programme. This report seeks approval to build on the area improvement work already undertaken by entering into the next phase of Regeneration in Harold Hill.
- 1.2 The emerging Local Plan's spatial strategy is to deliver good growth and envisages growth and development being shared across the Borough's district centres, such as Harold Hill. In addition to this, the emerging Local Plan encourages new high-quality residential development and residential intensification within and close to the centre. It also supports an appropriate scale of retail, culture, service industries and office development. The new development is expected to make a positive contribution to place making and local distinctiveness.
- 1.3 As part of the Council's regeneration aspirations, three separate sites have been identified in Harold Hill as an opportunity to deliver the outcomes prescribed by the emerging Local Plan. The considered sites include Farnham & Hilldene, Farnham and Hilldene district town centre, Abercrombie Hostel and Chippenham Road as shown by the red line boundary attached in Appendix 1.
- 1.4 This report seeks approval to progress with the strategy to deliver the three sites under a single, cohesive design vision. Officers will be enabled to move forward with community-led, socio-economic regeneration which will complement other area-based initiatives within the Council such as the Community Hubs and Local Community Coordination. It is envisaged that holistic intervention in Harold Hill will deliver community wealth building and improved social outcomes.
- 1.5 In addition, this report seeks approval for the preferred delivery method of the individual sites. In the interests of securing the best value for the Council, an analysis has been conducted to consider each site on its own merit in order to determine the best delivery method. Considered within this report is delivery via the Council's existing joint venture, Havering Wates Regeneration LLP (HWR) or a direct delivery approach funded through the Housing Revenue Account (HRA).
- 1.6 To enable the viability assessment, a capacity study exercise has been conducted to explore various design options for each site. This exercise has informed an indicative financial position to be drawn of the individual sites and to conclude budget recommendations. The key commercial inputs have been reviewed and validated by external specialists.
- 1.7 At the heart of the single design vision is the existing Farnham and Hilldene district town centre. Despite its relatively poor state and deprivation, the centre

remains vibrant and forms an integral part of any plans for regeneration due to its presence and commercial footfall as well as engendering a strong sense of community.

- 1.8 The Chippenham Road site was first identified in 2019 as an opportunity site for regeneration due to the closure of the Council housing offices. The site was adopted by the Havering and Wates Regeneration LLP (HWR) for development.
- 1.9 Abercrombie Hostel site was more recently included in the overarching area proposals in order to maximise the benefits of regeneration for the Council and its residents.
- 1.10 This report proposes that the regeneration of Farnham and Hilldene district town centre, Chippenham Road and the Abercrombie Hostel sites are progressed under a combined design scheme, taking into account the commercial offering, housing need and social infrastructures required to support the community. Consideration is given to the benefits of delivering a new community Medical Centre and replacement of the existing Abercrombie Hostel facilities with a new high quality Family Welcome Centre.
- 1.11 The regeneration will take several years and would require rehousing and re-provision of existing households and businesses. As such, considerations are given to phasing the development, to ensure potential costs and disruption is minimised to community and business stakeholders. Further detailed proposals will be developed and shared with Cabinet detailing the phasing methodology.
- 1.12 It should be noted that any drawings accompanying this report are not an agreed design and only represent the capacity exercise. All design is subject to further necessary consultation and approval.
- 1.13 As consultation and engagement progresses, the impact of the Covid-19 pandemic will be reviewed and checked to establish if they require changes to the proposals for this regeneration.
- 1.14 The financial position and the budget calculations are subject to detailed design, consultation and due diligence. As the schemes progress further reports will be submitted as required for further approvals.

RECOMMENDATIONS

That Cabinet:

1. **Approve** the strategy to deliver three sites under a single design vision, the considered sites include Farnham and Hilldene district town centre District Centre, Chippenham Rd and the Abercrombie Hostel sites and the former Library site (“the Combined Scheme”) as noted in Fig 1 where the red line boundary is edged at Appendix 1.
2. **Approve** the Council-led funding and direct delivery of the regeneration of Farnham and Hilldene district town centre Farnham and Hilldene district town centre, as detailed in paragraphs 10.16 to 10.34 of the exempt Report.
3. **Approve** the Council-led funding and direct delivery of the Family Welcome Centre and Medical Centre at the Abercrombie Hostel Site as detailed in paragraphs 10.01 to 10.38 of the Report.
4. **Approve** the closure of the existing Abercrombie Hostel and Will Perrin Hostel after the development of the new Family Welcome Centre.
5. **Note** the update on the projected costs to deliver the regeneration of Chippenham Road via the existing arrangements with the Havering and Wates Regeneration LLP as detailed in paragraphs 10.01 to 10.27.
6. **Note** a HRA capital budget of £45.139 million has been included within the proposed HWR 2021/22 budget to progress the Chippenham Road scheme.
7. **Agree** to endorse and recommend the budget of £192.817 million to progress the Council-led regeneration of the Farnham and Hilldene district town centre Farnham and Hilldene district town centre and the Abercrombie Hostel Site, **noting** that the HRA capital programme approved by Cabinet on 17 February 2021, and ratified by Full Council on 3 March 2021, includes the necessary capital funding to progress the regeneration.
8. **Agree** to endorse and recommend the inclusion of a budget of £4.602 million to progress the regeneration of a Medical Centre at the Abercrombie Hostel Site and £17.051 million for the development of a new commercial offering on the Farnham and Hilldene district town centre Farnham and Hilldene district town centre within the proposed General Fund Capital programme, **noting** that the General Fund capital programme approved by Cabinet on 17 February 2021, and ratified by Full Council on 3 March 2021 includes the necessary capital funding to progress the regeneration.
9. **Agree** to delegate to the Lead Member for Housing, after consultation with the Director of Housing and Director of Regeneration, the authority to approve the Farnham and Hilldene district town centre and Chippenham Road ballot (if required) including any ballot communication plan.

10. **Note** the continuation of the extensive stakeholder engagement and consultation programme identified within the body of this report.
11. **Note** officers are in the process of preparing an executive decision seeking approval to make application to the GLA for the provision of grant funding to support the delivery of affordable homes on the Farnham and Hilldene district town centre Farnham and Hilldene district town centre and Chippenham Road. In order to accept any funding offer and enter into the necessary formal contract(s), a full cabinet report will be brought forward for consideration.
12. **Authorise** the Director of Regeneration after consultation with the s151 Officer and the Director of Housing to consider the appropriation between the general fund and HRA accounts of the Council and to implement such appropriation as necessary to develop Farnham and Hilldene district town centre, Chippenham Road and Abercrombie Hostel sites.
13. **Authorise** the Director of Regeneration after consultation with the S151 Officer and the Director of Housing to consider and implement the appropriation of land for planning purposes, subject to the agreement of the Secretary of State, to facilitate the development of Farnham and Hilldene district town centre, Chippenham Road and Abercrombie Sites and **approve** an application to the Secretary of State for appropriation under section 19(2) of the Housing Act 1985 (the precise areas of land to be appropriated to be decided).
14. **Note** the Director of Regeneration will undertake soft market testing to establish main interest in the project and a detailed non-key decision on procurement commencement post checkpoint 1 will be provided for formal approval in line with the Constitution and Contract Procedure Rules.

REPORT DETAIL

2. Background

- 2.1 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 and Havering Wates JV (HWR) was established in April 2018 to take forward the regeneration of these sites.
- 2.2 The HWR Business Plan 2018/19 refresh approved by Cabinet in February 2019 identified development prospects in Harold Hill, including the redevelopment of the Chippenham Office site as a potential precursor to the wholesale development of the Farnham and Hilldene district town centre Farnham and Hilldene district town centre. Chippenham Road was identified as an opportunity site for regeneration, given its proximity to the proposed Farnham and Hilldene district town centre and the closure of the Council Housing office.

- 2.3 The Cabinet report of February 2020 seeking approval of the HWR Business Plan 2020/21 refresh also provided an update on progress and consultation with the key stakeholder groups. The report outlined that a future report would be presented to Cabinet to consider a proposal for the comprehensive redevelopment of the Farnham, Hilldene Farnham and Hilldene district town centre and Chippenham Road sites.
- 2.4 Original proposals for the Farnham and Hilldene district town centre Farnham and Hilldene district town centre included the refurbishment of the existing flats above the shops and building lightweight construction above the current structures to create 67 new homes. This proposal, whilst being a relatively quick way to build new homes would not provide the level of improvement needed. Early consultation with residents showed significant discontent with the refurbishment option due to the scale of disruption required to complete it. It was also felt that the proposals did not address the fundamental design flaws of Farnham and Hilldene district town centre and therefore did not respond to the issues experienced by local people.
- 2.5 Harold Hill has, for many years, and continues to be, one of the most deprived areas not only in Havering but also in London. Many of the key health, well-being, attainment and aspiration indicators mean that the residents and businesses in this area generally, do not achieve their potential or outcomes enjoyed in other parts of the borough. To try to rectify this, Harold Hill has been the focus of a previous Council led regeneration programme called Harold Hill Ambitions. This started in 2007 and ended as a focussed programme in 2014, although discreet pieces of work carried on after that time.
- 2.6 In essence, the programme was hugely successful in delivering a physical and community led regeneration programme and it had many various component parts to it. The previous good work achieved via the Harold Hill Ambitions programme can now be picked up and the aspiration for regeneration can be taken to a level never previously considered possible. As identified in the 2014 Cabinet report, the land was sold off to pay for area improvements. However, because of the cost of the improvements needed for the overall design of the Harold Hill shopping centre, many key issues were never tackled. The provision of new homes, improved business units for local retailers, poor design of buildings and streets that actually “designed in” crime and ASB were never properly tackled. After the external funding ran out and with the focus and external funding directed towards other areas in the borough, the improvements achieved were not built upon.

3.0 Vision for a Combined Scheme

- 3.1 The Combined Scheme vision detailed in this report is the next stage of the physical transformation of the area. Where Harold Hill Ambitions failed to achieve sustainable holistic regeneration. It must be noted that sustainable place-based improvements need to be delivered with initiatives that enable people and

businesses to take advantage of the new places they live or work in and to improve aspiration and outcomes for people. In addition, there must be capacity, resilience built into the local communities so that people in those communities can help, and support themselves.

- 3.2 The vision for Farnham and Hilldene district town centre should continue and expand as a physical manifestation of community, where people are able to live, work and play in one social arena. Growth brings with it fantastic opportunities to improve facilities, services and living conditions for existing neighbourhoods but only when supported by the appropriate social, economic, cultural and the physical infrastructure needed to ensure it is sustainable. Alongside, good design and careful development process, it is essential to ensure the existing character and uniqueness of each site is maintained.
- 3.3 Independent market intelligence specialist Savills have provided advice on the potential commercial composition of the future district town centre. Detailed information on this research is attached in Appendix 2.
- 3.4 The data presented in the commercial report suggests that in addition to the retail convenience offering, considerations should be made to promote the inclusion of leisure operators in the area to aid the social infrastructure and sense of place. This may include low-cost gyms, restaurants, cafes and bars. Furthermore, to enable sustained prosperity there should be interaction between retail, education, health and leisure throughout the district town centre.
- 3.5 As shopping progressively moves online, leisure facilities are becoming fundamental to the vitality and viability of our district centres. The leisure economy is an integral part of the reason why people move to areas and are able to live, work and play in the same area. It is the driver for supply chains and is of vital importance to local economies including food and beverage, transportation, retail and security industries.
- 3.6 A greater emphasis on the leisure offering will also aid the evening leisure economy. However, it is vital that the evening economy should be sustainable and planned as part of the overall place-making initiative. There must be a vision and the vision must then be translated into action by gathering the power and talents of all the agents of change, investors, leisure operators, transport providers and most importantly residents representing all population sectors and interests.
- 3.7 Evening economy can:
 - Add vibrancy and a sense of uniqueness to a location.
 - Develop the cultural offering.
 - Create social cohesion and inclusion.
 - Nurture the artistic and creative industries.
 - Bring wealth to local economies.

However, it is key to understand the community in which we are regenerating and provide amenities that are genuinely needed and add value to the area. The design of the district town centre must be planned accordingly to incorporate the evening economy. We must ensure that the night is not perceived as a negative space where crime and conflict are exacerbated.

- 3.8 Urban design is fundamental to the creation of attractive and safe spaces and buildings for people to visit at night. This depends not only on set-piece open space, but attractive places to dismount, the access routes to the centre, the lighting, the interaction with vehicular traffic, the signage schemes, the architecture of new development, the sense of arrival in the centre, the drama and the excitement of the layout and the treatment of facades to bring a sense of care and unity to the district centre
- 3.9 Changes in modern lifestyles are impacting the needs and requirements of local communities. Whereas once a town was designed with a retail centre, commercial district and housing developments in separate areas, increasingly there is a demand to live in places that combine them all. A modern vibrant community is typically mixed-use and incorporates layers of use that complement each other.
- 3.10 Future proofing is essential, and a strategic master-plan approach should consider the long-term use of the Combined Scheme if it is to be effective. It is by accounting for existing infrastructure and diverse uses for both new and existing buildings that the needs of current and future residents will be properly served and improve life outcomes.
- 3.11 The focus for the Combined Scheme will be to ensure that locals continue to have real reasons to visit their local district centre by creating more than a row of shops, but a proper destination. While retailers may struggle to withstand economic changes, the core element that keeps the high street functioning is still very much alive. Services such as dry cleaners, key cutters, nail bars – even the Post Office, local bank and hairdressers are central to the retail offering in Farnham and Hilldene district town the essential offering is also likely to include large convenience stores.
- 3.12 Diversity of retail in district town centre is a huge driver of economic growth and is vital to secure sustained prosperity for a town centre. Avoiding single-ownership and encouraging interaction between education, retail, leisure and the public realm is key to building growing centres with robust economies.
- 3.13 The key to revitalising the high street and keeping it vibrant lies in the heart of the high street itself – the people who shop, work, and live there. The community of Farnham and Hilldene district town centre area must be at the forefront of engagement. It is already understood that we need to introduce more housing into central locations, improve parking arrangements to encourage further footfall, as well as overall, improve the area for residents and visitors.

3.14 The new District Town Centre of Farnham and Hilldene is integral to Harold Hill's wider community. The improvement plans for the area is key to unlocking an array of economic benefits. Whilst there is a strong sense of community in the area, there is also a significant level of deprivation and part of that deprivation is created by poor quality outcomes and lack of aspirations. This is the opportunity to change the built environment to remove some of the issues of design that can encourage anti-social behaviour, general deprivation and influence low aspirations within the community.

3.15 The impact of the COVID-19 pandemic has had a disproportionate health and financial impact on already disadvantaged groups, with the most deprived areas of seeing mortality rates for COVID-19 double that of the least deprived. The holistic place-based regeneration of Farnham and Hilldene district town centre, Chippenham Road and the addition of the Family Welcome Centre and Medical Centre will aid in delivering wrap-around help – with good affordable housing, health support, employment and general wellbeing in the area – that so many will desperately need, as we recover from the pandemic fall-out.

As consultation and engagement progresses, the impact of the Covid-19 pandemic will be reviewed and checked to establish if they require changes to the proposals for this regeneration.

3.16 By developing the overarching vision for the Combined Scheme, the aim is to achieve the following:

- Provide an improved retail environment within the high street for the local community and visitors.
- To improve the rental income and value of the retail element
- To reduce future cost exposure by developing a modern, fit for purpose commercial space
- Significant socio-economic benefits for the local people
- Enhanced footfall through the district centre
- Provide a community hub
- Recognising Heritage and culture are important
- Serve the convenience retail needs of the population
- An increase in the affordable housing numbers across the Farnham and Hilldene district town centre and Chippenham Road sites.
- An increase in the amount of family-sized affordable housing.
- Improved build quality of the developments.
- Improvement to social infrastructure
- Enhanced social value offering
- Ecology and bio-diversity must be increased and built into new places,
- Regeneration must be a key to unlock aspiration of all resident and businesses.

3.17 The regeneration would result in an increase of affordable housing, potentially rising from the current provision in 110 affordable homes to 345 affordable homes (a 50% increase). This is an increase of 235 affordable homes, which would go

towards the strategic objectives of offsetting some of the losses to the Council's affordable housing provision due to Right to Buy and mitigating against homelessness pressures to the General Fund.

TABLE 1 – Existing and indicative proposed dwellings numbers on Farnham, Hilldene and Chippenham Road

	Demolitions		Proposed				% Affordable Housing
	Social Rent Nr	Leasehold Freehold Nr	Affordable Rent Nr	LCH O Nr	Open Market Nr	Total Nr	
Chippenham Road	20	12	115	25	66	206	68%
Farnham, Hilldene	90	27	147	58	274	479	43%
Totals	110	39	262	83	359	685	50%

- 3.18 Key requirements of the project are for the Council to retain the long-term freehold of the land, to retain management of affordable housing, to more than double the amount of affordable housing on the sites, to increase and maximise the supply of new mixed tenure housing and to improve the commercial retail portfolio.
- 3.19 It is envisaged that a comprehensive Harold Hill town centre development would be an exemplar flagship, place-making community-led regeneration programme that supports and improves the socio-economic aspirations of the local community. Investment in this area would seek to get the most out of the local community assets, with the intention of creating public spaces that promote health, happiness, the wellbeing of residents and opportunities for growth for local businesses.

4.0 Site Overview

Chippenham Road

- 4.1 Chippenham Road comprises the former Council Office, St. George's Church Centre, Harold Wood Funeral Services the Vicarage, The Alderman Public House, Rothbury House and Crediton House.
- 4.2 The Church, Vicarage and the Funeral Services will be retained in their current locations as described in the Hawkins Brown design document attached as Appendix 5.
- 4.3 By retaining the Church, it would remain as a civic anchorage to the community thus keeping interest and purpose to this part of Chippenham Rd, which essentially promotes footfall and the sense of destination to the local community.

The Church offers vital pastoral support to the community and it essential to ensure it remains functional.

Farnham and Hilldene district town centre Farnham and Hilldene district town centre Residential and Commercial

- 4.4 Farnham and Hilldene district town centre current retail element includes 74 different tenancies in 67 shop units. The total existing retail area is 94,065 sq. ft. of which 5,767 is currently vacant so occupied space currently represents 88,298 sq. ft. The site also benefits from the recently constructed Library facility.
- 4.5 The table below details the current residential Vacant Possession position on Farnham, Hilldene and Chippenham Road.

Site VP Target Date	Vacant Properties										Total
		Tenants matched	Tenants remaining	Other	Tenants matched	Tenants remaining	Purchases Underway or Agreed	Negotiation Yet to start or Ongoing	Not accepting valuation		
April 2021	24	0	0	0	0	0	1	7	0	32	
Jan 2024	13	0	89	0	3	3	0	12	0	117 (+3)	

- 4.6 The design option presented from the capacity studies conducted would see the retention of the existing library and replace all the retail and residential units. This option could potentially see the uplift of affordable homes from 117 to 205 including 58 new homes for low-cost homeownership. Please see details in the Hawkins brown Design document attached as Appendix 5.
- 4.7 The retail element is of particular importance for both the local community and the council. The retail properties are vested in the council General Fund producing annual income. This represents approximately 50% for the GF income arriving from the retail portfolio. Relevant values regarding the new scheme are contained in the exempt agenda.
- 4.8 Whilst undertaking capacity studies, it was essential to work out an initial strategy to minimise impact on the GF income and potential compensations. An analysis of the existing tenancies and leases expiry plan formed the foundation of the phasing considerations.
- 4.9 The redevelopment and the initial phasing strategy aims at a maximum 25%-30% of the retail space is under construction at one point in time. The strategy will become clearer once further engagement has occurred with all of the existing

tenants both in terms of their intentions going forward (whether they wish to have a shop in the new scheme) and whether continuity in trade is required.

4.10 Other main objectives for the new retail scheme were set out to achieve the following:

- Provide an improved retail environment for the local community.
- To improve the rental income and value of the retail element.
- To reduce future cost exposure by developing a modern, fit for purpose commercial space with associated build guarantees.
- Significant socio-economic benefits for the local people.
- Enhanced footfall.
- Provide a community hub.
- Serve the convenience retail needs of the population.

Hostel Site (Family Welcome Centre) and Medical Centre

4.11 The proposal for this site envisages redevelopment of the Abercrombie hostel site and provision of a new Medical Centre as well as the replacement of the current hostel facilities with the new Family Welcome Centre. The current hostel site, Abercrombie House comprises 37 Rooms.

4.12 The second homeless hostel site, Will Perrin Court, is located in South Hornchurch and comprises 46 rooms. The development of the Family Welcome Centre will allow for the Will Perrin hostel to be closed down and all provision that is been currently provided at the Will Perrin Hostel will be moved under one new larger Family Welcome Centre facility.

4.13 The Abercrombie Hostel site is located next to the disused old library based on Hilldene Avenue. Internal space comprises narrow long corridors, with bedrooms catering for individuals and families. Families eat, sleep and often study in the same room. There are communal kitchens and bathroom facilities. The current hostel also offers to single occupants who often present with complex needs. It has been observed by supported housing that this is not ideal for families and can lead to security issues.

4.14 The redevelopment of the Abercrombie Hostel has presented the Council the opportunity to address their emergency accommodation provision to better meet supported housing needs.

4.15 The Hostels provide emergency housing for some of the most vulnerable people in the borough, often homeless and in need of emergency support. With the delivery of the new Family Welcome Centre, both current hostels will be able to close.

4.16 The new Family Welcome Centre is focussed on accommodating families and not single people. The new Family Welcome Centre design target is to accommodate 84 self-contained studios. New facilities would comprise a

welcoming reception, staff office, meeting areas and assessment rooms, communal area for socialising, two laundry areas and secure open outside play areas.

- 4.17 There is a separate Supported Housing strategy for housing single people, this strategy outlines options for housing single people with different needs and complexities in smaller settings.
- 4.18 Discussions regarding the proposed Medical Centre are underway with the Clinical Commissioning Group (CCG) to ascertain particular requirements. The response thus far from the CCG has been positive and they have confirmed there is a need for such a provision in this location.
- 4.19 Design of the new facilities has been progressed to RIBA stage 1. Indicative delivery programme diagram is included in Appendix 5.
- 4.20 It has been proposed to close the Abercrombie hostel to enable the entire site to be developed at the same time. The current Hostel facilities will stay operational albeit at different sites. Suitable premises for rehousing current hostel residents are currently being identified. In addition, it is proposed to use short-life properties for the purpose of temporarily housing these vulnerable families with the staff team providing necessary support and assistance.

5.0 Family Welcome Centre Business Case

- 5.1 The current Abercrombie hostel provision requires improvements. The mix of family accommodation with single person's accommodation is difficult to manage and does not provide a positive customer experience.
- 5.2 The newly designed facility will accommodate desired exceptional standards and additional services such as advice sessions, assessments and training. It would also include facilities for social workers to manage various appointments.
- 5.3 Essential to the positive 'move on' of hostel occupants will be close partnerships and joint working to ensure the right support options are available and accessible at the right time, across Health and Wellbeing, Commissioning, Community Services and others as appropriate. The new facility will incorporate all these requirements in the design and layout.
- 5.4 The Council provides staffing at the Hostels. During the redevelopment works, Abercrombie House hostel will be closed for approximately two years from 2022. We will protect jobs and the permanent staff will be transferred to Will Perrin Court hostel for the period of the closure, and then transfer to the new Family Welcome Centre. The staff team will also provide an outreach service to residents in HMOs and PSLs.
- 5.5 It is likely to reduce the number of agency workers during the period of closure. Officers do not yet know what the staffing requirements are going to be at the

new hostel; however, officers do not envisage decrease in the number of permanent staff required.

Medical Centre

Discussions have been held with the CCG in order to inform the nature and size of the medical facility to be provided. These discussions have involved the CCG indication their wish to review the wider area health provision. The discussions with the CCG are on-going with an intent to get early sign off of Heads of Terms and a commitment to Lease/Rent the facility to mitigate any financial risk to the Local Authority and to enhance the overall outcomes for local residents and businesses.

6.0 Consultation and Engagement Community led regeneration.

The previous Harold Hill Ambitions project used community engagement successfully to identify issues that stakeholders felt needed to be resolved. Following that, in June 2016 consultation commenced with the local community as part of the 12 Sites Regeneration Programme the progress and outcomes of that was widely reported to Cabinet and all members via a process of update newsletters. Farnham and Hilldene as an estate was included within that programme. Officers consulted on the proposals for the refurbishment of the current homes, and lightweight construction of an additional 63 homes to be added to the existing structures. Feedback from residents showed a preference for wholesale redevelopment as the current accommodation was considered to be in poor condition and deemed not fit for purpose. Furthermore, residents expressed the need for better health care service and infrastructure in the area and that the existing poor design of buildings, access ways and public realm did not mitigate anti-social behaviour rather by poor design it actually facilitated poor and undesirable behaviour. Following this feedback officers revised the design proposals for Farnham and Hilldene and took the opportunity to identify how the area could be significantly redeveloped.

- 6.1 Through responsive engagement officers updated the project brief to align with responses from consultation leading to revised capacity studies which concluded that regeneration could achieve up to 540 new homes at Farnham and Hilldene; c.200 homes at the Chippenham Road office site; and the re-provision of retail space in the area to transform the Harold Hill District shopping centre into a vibrant and desirable place to live and work. This was further reported back to Cabinet in February 2019 stating that further work would be done on a wider regeneration opportunity as included within this report.
- 6.2 To date, twenty site-specific meetings have been held, including resident meetings, neighbour meetings and business meetings for those affected by the Farnham, Hilldene and Chippenham Road regeneration proposals.
- 6.3 Consultation to date:
 - 28 July 2016 - Chippenham, Hilldene and Farnham

- 1 September 2016 - Chippenham, Hilldene and Farnham.
- 28 November 2016 - Chippenham, Hilldene and Farnham.
- 26 January 2017 - Chippenham, Hilldene and Farnham.
- 27 February 2017 - Chippenham, Hilldene and Farnham.
- 27 April 2017 – Chippenham, Hilldene and Farnham.
- 5 October 2017 - Chippenham, Hilldene and Farnham.
- 26 February 2018 - Chippenham, Hilldene and Farnham.
- 12 November 2018 - Farnham and Hilldene.
- 15 November 2018 – Chippenham.
- 10 December 2018 – Chippenham.
- 3 January 2019 – Chippenham, Hilldene and Farnham.
- 10 January 2019 - Chippenham, Hilldene and Farnham.
- 15 July 2019 – Chippenham **RESIDENTS ONLY**.
- 16 July 2019 – Chippenham **NEIGHBOURS ONLY**.
- 18 July 2019 – Chippenham **BUSINESS ONLY**.
- 28 January 2020 - Chippenham, Hilldene and Farnham.
- 7th February 2020- Chippenham, Hilldene and Farnham.

- 6.4 Officers have met with each council tenant, temporary accommodation resident and leaseholder on a 1-2-1 basis to discuss the regeneration proposals and their relocation options which have resulted in great progress being made on the residential vacant possession programme as noted in paragraph 4.5. Satisfaction with the rehousing process across the programme continues to be above 95% Intensive support and reassurance continues to be provided on a one to one basis for any resident and their families worried about the programme and decant process
- 6.5 To date, the Council have attempted to contact all retailers operating in the vicinity. Thus far, officers have spoken to or have arranged appointments to speak to over 50% of occupied retailers currently operating in the area. Further consultation was planned for 2020, however with the outbreak of COVID-19 consultation has been limited
- 6.6 In general, businesses were supportive of the proposal to regenerate the shopping district centre and welcomed the prospect of design that would incorporate good parking provision. Taking a phased approach to the development programme was also welcomed as an opportunity to keep the majority of the high street open during construction.
- 6.7 A commercial business retention and re-provision strategy will need to be developed once comprehensive engagement has been completed with each of the business owners.

- 6.8 Evident from the Harold Hill Ambitions project and the engagement already undertaken is the strong community identity within the area. This, together with the enthusiasm for wholesale redevelopment has made this project prime for a community-led approach to Regeneration.
- 6.9 A consultation and engagement strategy has been developed for the combined schemes based on the previous extensive engagement. This Consultation and Engagement Strategy ensures all levels of community engagement will be carried out in the most appropriate way with different methods of engagement with all stakeholders. This Consultation and Engagement Strategy principle is to support strong, active and inclusive community-led regeneration, and ensure the community are informed and involved in decision-making and enable the Council to improve and enhance the quality of life for our residents affected by the combined scheme.
- 6.10 The Council will continue to engage openly and meaningfully with those affected by the regeneration of the combined scheme. Stakeholders will be given sufficient opportunity to be involved in shaping any proposals that will affect their homes, businesses and wider locality, and they will be proactively supported to do so throughout the planning and design process.
- 6.11 Early consultation and engagement has been essential, and stakeholders will continue to be given opportunities to be involved from the outset in developing the vision, options appraisals, design and delivery of the schemes.
- 6.12 The consultation will continue to be transparent with all issues and options set out in clear, accessible and non-technical language, with information that has influenced any decisions being shared as early as possible.
- 6.13 Every effort will be made to engage with as broad a range of stakeholder groups as possible, including primarily the residents of the combined scheme, those living and working on or near it; local ward councillors and other community stakeholders such as the CCG and all council services. The consultation and engagement will continue to be responsive and will result in clear actions that arise directly from the views expressed by respondents as previously demonstrated.
- 6.14 The Council will continue to adopt a range of options for consulting and engaging with those affected by the regeneration of the combined scheme, such as: direct proactive engagement of a wide group of residents – e.g. through surveys, and ‘door-to-door’ conversations, (subject to social distancing rules and Government policy).
- 6.15 Officers will endeavour to engage with any specialist resident committees, forums, and workshops; and will promote resident involvement groups with resident and meetings of Tenant and Resident Associations and neighbourhood forums. Officers will aim to build broader opportunities for residents to be kept updated and engage – e.g. through ‘drop-in’ days and public meetings; letter, email, and newsletter updates; and web-based consultation tools, such as the

Community Hub, or Online forums, such as Facebook pages for the Council and the Council Website.

- 6.16 As the design for the combined scheme develops, and as alternative options are considered with residents, different approaches to consultation and engagement may become appropriate. Therefore, the Council, as always will be open to suggestions from residents and other stakeholders about developing more effective consultation and engagement mechanisms.
- 6.17 Residents will be the primary consultees during the combined scheme estate regeneration programme as well as social tenants, resident leaseholders and freeholders. Officers will aim to consult private tenants or those living in temporary accommodation on the combined scheme, as well as non-resident leaseholders and freeholders.
- 6.18 Consultation approaches will be tailored to residents' needs. For example, bespoke consultation arrangements may be required for elderly residents, those whose first language is not English, or those who have disabilities.
- 6.19 The Council will continue to consult with businesses providing local services and employment. Owners and operators of these businesses will be engaged in the regeneration process, and any proposals will give weight to the importance of minimising disruption to those businesses and retaining the local employment opportunities.
- 6.20 The combined scheme includes other facilities such as The Church, Vicarage and Library. Officers will continue to engage with the owners, operators, and users of these facilities. Beyond those stakeholders operating directly on the combined scheme, officers will positively engage with: elected local councillors; residents, businesses and other stakeholders who may not be located within the boundaries of an estate but who will be affected by the process of regeneration; and other stakeholders such as utility Providers, Transport for London and the local Police.
- 6.21 It will also be essential that all Services across the Council are involved in this regeneration project, including new initiatives such as the Community Hub, Local Area Coordination projects. This is an opportunity to bring forward a holistic approach to achieve real lasting transformation, not just in the built environment but also the aspiration of the whole community.
- 6.22 Consultation and engagement has commenced with ward councillors and the community in February 2021 detailing the Family Welcome Centre site. The outcome resulted in positive feedback for the proposal and residents welcomed the development of the Family Welcome Centre.
- 6.23 A ballot will be conducted for the Farnham and Hilldene district town centre district centre. Indicative details of the ballot are noted in Appendix 3 (Savills paper) including potential high-level timelines. A report will be drafted detailing the proposed Landlord offer and strategy for the Estate Ballot for sign off by the

Portfolio Holder for Housing in accordance with the recommendations earlier in this report.

- 6.24 Officers are discussing with the GLA if a ballot is required for the Chippenham Rd site. It is essentially a mixed-use site and officers would possibly seek a ballot exemption on this basis.

Community Hubs

- 6.25 As we start to recover from the pandemic there is an opportunity to change the way the council delivers services for the better, facilitating a culture change within the Council and at the local level. Community Hubs will help us create a new target-operating model for residents to access services. Working alongside Local Area Co-ordination, the Hubs will build community resilience and develop a better understanding of the issues and challenges residents face and help the Council become more visible in local areas, working with residents to resolve their issues more successfully
- 6.26 The Community Hubs being developed in Harold Hill will facilitate and deliver community led regeneration creating Hubs within libraries alongside an area-based approach engaging residents, and local stakeholders including businesses, voluntary community sector to work together to develop solutions to local challenges. Through the Hub Steering Group and programme residents will have a role and a voice in shaping where they live, with the focus on building opportunities to help communities thrive socially and economically alongside promoting cohesion and raising aspirations.

- 6.27 Community Hubs are underpinned by a set of key principles:

- Connecting communities – bringing together a range of organisations developing new relationships creating opportunities and skills exchange.
- Digital Inclusion – building digital skills and confidence and supporting self-serve.
- Volunteering – increasing community action and active citizenship.
- Meaningful engagement – the Council working more closely with residents to resolve local challenges and issues.
- Community Resilience – creating a stronger Community Voluntary Sector in the Borough empowering them with the support they need to grow.
- Building a local presence – offering access to localised Council services and other support.

The platform also provides an opportunity for the Council and partners to engage better with residents helping them to stay connected and provides a virtual space for the Council and partners to collaborate and develop early intervention programmes and achieve the following;

- Realisation of the wider benefits of regeneration for communities, business, our economy and local identity.

- Supporting the target operating model for accessing services through early intervention and prevention.
- Supporting the Localities approach with the aim of developing an improved service user experience and community based care, promoting individual empowerment and self-care.
- Initiating community led activity that can lead to better outcomes such as healthier lifestyles and reduction in the costs of reactive services.
- Better utilisation and/or rationalisation of assets – Council owned, Town Centre voids/redundant retail or office space, shared use of resources across the wider public sector ‘system’.
- Development and impact tracking of existing community and voluntary initiatives including the arts, culture and leisure activities.
- Coordination and collaboration across the Havering ‘system’ to support improvements in cohesion, safety, borough and locality identity and aspiration for all.
- Realisation of financial efficiencies through improved partnerships with businesses and our communities.

7.0 Masterplan Approach & Phasing

- 7.1 The masterplan approach sets out that the Farnham & Hilldene district town centre, Chippenham Road and the Abercrombie Hostel sites should be developed together under one single design vision as noted in the attached Appendix 5. The proximity of all three sites inadvertently weds them to each other. To develop one site in isolation would be counter-intuitive economically and may also have the effect of de-stabiling the local social infrastructure. It should be noted that any drawings accompanying this report are not an agreed design and only represent the capacity exercise. All design is subject to further necessary consultation and approval.
- 7.2 Using the masterplan approach, the Combined Scheme would also benefit from an improved road layout. Currently, a one-way system relies on Hilldene Avenue for circulation. There are limited crossings on the Farnham and Hilldene district town centre and the Chippenham Road site. The area has disconnected pedestrian routes often narrow and uninviting such as the route from Chippenham Road past the boxing gym. Please see noted in Appendix 5. Further discussions and collaborative work is required with the Highways Team to ensure effective sustainable solutions are adopted to build out problems of anti- social behaviour.
- 7.3 The masterplan combined design vision would see a new improved layout to pedestrian routes. The routes would encourage social wellbeing by improving the experience of connectivity, so that the spaces making up the network can be experienced as special and significant in their own right.

- 7.4 The area will be well connected to walking and cycle routes and this would attract footfall and interest to the area. As well as ensuring the area is connected to smart infrastructure to encourage flexible use of the space for all ages and for a variety of activities.
- 7.5 It is essential that the open space and the feel of the commercial centre within Farnham and Hilldene is dynamic for daily life. Open space plays an important role in creating healthier and more liveable communities by providing positive environmental, social and economic benefits.
- 7.6 Another salient point is to ensure the area is provisioned with seating and resting spots; legible to all users which is lacking currently. The design should promote clear wayfinding, and be amply provisioned with shelter and shade. Central to this developing concept is the re-establishment of the street as the urban focus that provides for a web of connections offering people a range of choices and experiences as they move about.
- 7.7 The new Family Welcome Centre will be designed to exemplar standards. The design will create a welcoming, secure environment built to dementia-friendly design. The design objectives are to achieve an inclusive, safe welcoming, sustainable, family focussed and uplifting environment.
- 7.8 The commercial centre within the Farnham and Hilldene district town centre would benefit from a wider network, connected internally and to its surroundings. It should be accessible to all and have a high biodiversity value. The area would benefit to have varied character and functionality to meet identified needs. However, one of the most important factors is that it should be secure and safe not only during the day but through the evening. It should be sufficiently well-designed and well-equipped to become a destination.
- 7.9 Inclusion of social infrastructure is key to the success of the Combined Scheme approach and securing positive social outcomes for the local community. The introduction of the new Medical Centre and new Family Welcome Centre would further strengthen the area's community wellbeing offering. The need for more medical facilities has also been expressed by residents at community engagement events.
- 7.10 Phasing of the Combined Scheme is imperative to avoid major disruption to the community. This approach could enable an opportunity for single moves for businesses as well as keeping the district centre functional during construction. The aim will be to maintain 70% of the District Town centre to remain operational during construction. A detailed commercial business strategy will be developed and will inform the offering of the new district centre underpinned by a dedicated budget. Current residential units are largely occupied by Short-term temporary tenants and can be moved onto suitable properties more easily with a phased approach. Currently, there are fifteen leaseholders or freehold purchases underway.

- 7.11 Vacant possession across Farnham and Hilldene district town centre sites has been aligned with the strategy to reduce the homelessness pressure on the General Fund. Properties vacated by secure tenants and leaseholders across Farnham and Hilldene and Chippenham Road have been used as temporary housing for homeless households.
- 7.12 A significant effort has been made to ensure those people moving out of their homes find suitable alternative homes that meet their needs and that they are supported through the moving process. Council tenants, leaseholders and freeholders have all received the appropriate support to assist with moves. Council Officers have continued to work with residents to either move them to a new home or purchase their property.
- 7.13 Many long-standing family businesses form part of the fabric of the commercial centre within the Farnham and Hilldene district town. A phased approach will help to minimise disruption to longstanding essential businesses. This approach would aid in local public support and ensure that local people still gravitate to an area that they recognise as their own.
- 7.14 High Level Development Programme Time Line

Chippenham Road	Proposed Programme*
Commence Early Design	Progressing
Ballot	TBC with GLA if required
Submit Planning Application	Feb-22
Resolution to Grant	May-22
S106	Sep-22
Secure VP	Nov-22
Start Demolition	Jan-23
Commence construction	Apr-23
First Handover of Homes	Oct-24
Final Handover	July-25

Farnham and Hilldene district town centre	Proposed Programme*
Commence Early Design	April-21
Ballot	Aug-21
Submit Planning Application	Outline Feb-22, Detailed June-23
Procurement Soft Market Testing	July-23
Resolution to Grant Detailed	Jan-24
Start of Procurement Stage 1	Jan-24
S106	Aug-24
Start of Procurement Stage 2	Aug-24
Contract Awarded	Feb-25
Secure VP	Phased VP from Dec'24
Start Demolition Phase 1	Feb-25

Commence construction	May-25
First Handover	Nov-26
Final Handover	Feb-35
Detailed phasing methodology requires further development work. Detailed proposals including the methodology will be shared with Cabinet in due course.	

Family Welcome Centre	Proposed Programme*
Commence Early Design	Completed
Ballot	Not Required
Submit Planning Application	Dec-21
Procurement Soft Market Testing	Aug-21
Resolution to Grant	March-22
Start of Procurement Stage 1	Oct-21
S106	June-22
Start of Procurement Stage 2	Jan-22
Contract Awarded	Oct-22
Secure VP	April-22
Start Demolition	May-22
Commence Construction	Nov-22
Handover	Apr-24

8.0 Financial Review and Preferred Delivery Method

- 8.1 A review of the various options for taking forward the development of the various elements of the combined scheme have been carried out. A number of options were considered including development via HWR, a private developer route, and via a Council owner entity.
- 8.2 Chippenham Road, the site is currently vested with HWR, and the review concluded that development via HWR remains a viable proposition. It is proposed that the development of Chippenham Road is progressed via HWR, on the basis of avoiding a significant delay to delivery.
- 8.3 Farnham and Hilldene district town centre given the significant site assembly costs, including the commercial property held by the Council General Fund, the development of the open market units does not generate a sufficient financial return to meet the profit hurdle rate required by HWR and achieve the best value for the Council. As such, taking the Farnham & Hilldene development forward via HWR is likely to present significant challenges on viability. The review concluded that the only viable alternative is a Council-led delivery model to build out the Farnham and Hilldene district town centre District centre.

- 8.5 Family Welcome Centre / Medical Centre, the development of the Family Welcome Centre and Medical Centre was not included in the 12 Farnham and Hilldene district town centres procurement. Whilst it is possible to introduce these into HWR, it is likely that overall costs to the Council would increase, linked to the requirement to pay over a developer margin and overhead and profits on construction. The review concluded that the most cost-effective option is a Council-led delivery model.
- 8.6 The detailed financial review and assessment of the preferred delivery model are contained within the exempt appendices. The outputs of the review and preferred options are set out in TABLE 2 below: -

TABLE 2 – Development Summary

	Chip' Rd	Farnham and Hilldene district town centre	Hostel & Medical Centre
Affordable housing	140 (+120)	205 (+115)	Hostel Doubled capacity
Other assets	N/A	Commercial & Retail	Medical Centre
General Fund Impact	Future Homelessness cost avoidance at £2.5K per additional affordable home, - £238k per annum	Enhanced Commercial & Retail offering Future Homelessness cost avoidance at £2.5K per additional affordable home, - £142k per annum	Increased hostel capacity reducing short life costs Community Medical centre generating revenues
Vested with HWR LLP	YES	NO	NO
JV Approach Viable	YES	NO	YES
Costs invested to date	0.750	NIL	NIL
Net cost reduction under direct delivery model	£1 million	£12 million	£1 million
Recommended Approach	HWR subject to 6-month review to minimise delays	Direct Delivery On basis of cost and JV viability	Direct Delivery On basis of cost

REASONS AND OPTIONS

Reasons for the decision

9.1 To continue to secure the Council's regeneration objectives for which would deliver the following benefits to the Council and community: -

- Increase the number and quality of Council affordable homes, which would also maximise the level of family housing provision in the borough.
- Improve the sustainability and quality of the sites and provide significant social benefits to the local community.
- Provide an improved retail environment for the local community, which would enhance the rental income and value of the retail element to the Council.
- To reduce future cost exposure by developing a modern, fit for purpose commercial space with associated build guarantees.
- Improve the homeless provision by developing a new Family Welcome Centre integrated with a Medical Centre.

Other options considered are contained in Exempt Agenda Report

IMPLICATIONS AND RISKS

10.0 Additional Financial implications and risks: contained in Exempt Agenda Report

Financial risks

10.1 Phasing, it will be necessary to undertake a comprehensive review of the proposed overall phasing strategy as it develops to ensure that the General Fund revenue impacts are minimised. The existing commercial assets on Farnham and Hilldene district town centre, currently generate £1.252 million of annual revenues to the General Fund.

10.2 Commercial risk, this is a housing development, with a significant element of open market product, which adds an element of sales risk. It is unclear what impact if any the COVID-19 pandemic has had on the housing market. The most severe consequences of the lockdown are likely to be felt in the short term, with a loss of confidence in the housing market.

10.3 Under the Council led approach, it would not be possible to ring-fence a phase in a dedicated special purpose vehicle (SPV). The Council would be exposed to the full cost of development and sales risk. But on the flip side, would benefit from 100 per cent of the gains on disposals. It will be necessary to bring in

specialist expertise to bring forward the development to manage both the construction and sales programme.

- 10.4 GLA Funding, the projections are subject to securing grant from the GLA for Farnham and Hilldene district town centre. This would be subject to a positive response on a Farnham and Hilldene district town centre ballot.
- 10.5 Shared Ownership, the government have recently issued a technical consultation for a new shared ownership model. Under the new model, it is proposed that minimum initial equity is 10%, down from 25%, and registered providers will be required to contribute to the cost of repairs for the first 10 years. Whilst the changes would increase the demand for the product, it could result in an overall reduction in the average net receipt, which currently averages at 40%. This would result in the Council having a greater stake in the properties, which generate rents at 2.75 per cent of residual value. With PWLB rates just under 2.00 per cent, it is likely to generate a net revenue benefit but if PWLB were to rise, the benefit would be eroded.
- 10.6 Commercial Activities HRA, development for market sale in isolation is a trading activity and would (under statutory requirements) normally be delivered via a dedicated subsidiary of the Council. The primary focus of this scheme is regeneration and affordable housing, with the market sale activities supporting these objectives. As such, external advice has been received to confirm that under these circumstances the HRA can undertake market sale activities directly.
- 10.7 PWLB borrowing rates, the current projections are based on a long-term borrowing rate of 2.0%. Currently the Council can secure borrowing at just below 2.0% (50 years). As borrowing is drawn down, the rates are effectively locked in for the loan period. In the short term, this may result in a net benefit to the HRA as rates are currently below the 2.0% target, but it is possible rates may increase over the medium to long term, potentially going above the 2.0% assumption.
- 10.8 Retail: General Fund, the long-term impact on the retail sector linked to the COVID-19 pandemic are not yet determined. The pandemic has had a severe impact on retailers, who have been reliant on Government support to maintain their businesses during the National Lockdowns. This presents a risk to both the existing provision and the re-provision of the retail on the development. The present strategy for re-provision is underpinned by securing an anchor tenant, a national operator such as Sainsbury's, with smaller operators such as restaurants and coffee shops. This will be reviewed on an ongoing basis to assess impact on Council revenues.
- 10.9 Developer Levy, on 10 February 2021, the Housing Secretary announced plans to introduce a, 'Gateway 2' developer levy. The proposed levy will be targeted and apply when developers seek permission to develop certain high-rise buildings in England. This presents a potential cost risk to the project, subject to the height threshold applied. However, it is not possible to quantify the impact until the details of the new levy are provided by the Government.

10.10 Specialist Knowledge / Execution, up until the abolition of the Housing Revenue debt cap at the end of October 2018, it would not have been possible to deliver a scheme of this scale directly from Council resources, in addition to the commitments on the 12 Farnham and Hilldene district town centres programme. Taking the scheme forward as proposed will require a degree of expertise both in terms of construction and sales and marketing which is not currently provided for in the Council establishment. To mitigate against the knowledge and skills gap, it is proposed to bring in external specialists.

Table 9 – Sensitivity Analysis (HRA)

	Affordable Net Cost £M	Unit Affordable (net) £m	Hostel £m	Peak Borrowing HRA £m
Baseline	87.536	0.254	15.924	105
Build cost +10%	+22.014	+0.063	+1.542	+24
Sales down 10%	+13.682	+0.040	N/A	+14
Fees up 1%	+1.728	+0.005	+0.119	+2
PWLB long term rate + 1%	+6.686	+0.019	+0.998	+8
<i>Rates are only locked in once drawn down</i>				

Table 10 – Sensitivity Analysis (GF, Retail and Medical Centre)

	Borrowing GF £m	Revenue GF £m
Baseline (to 2029/30)	1.005	(0.748)
Build cost +10%	+2.165	0.350
Retail income down 10%	N/A	0.323
Fees up 1%	+0.217	0.035
PWLB long term rate + 1%	N/A	0.525
<i>Rates are only locked in once drawn down</i>		

Additional information is contained within the Exempt Agenda Appendix

11.0 Human Resources implications and risks:

11.1 A separate business case detailing the direct delivery approach including the requirement of resources will be prepared and brought to Cabinet for approval.

- 11.2 The proposals will affect directly on staff currently located at the Abercrombie Hostel and the implications will be managed in accordance with the Council's HR Policies and Guidance.
- 11.3 Staff and union representatives have been consulted on the proposals and discussions will continue as the detailed proposals are developed.

12.0 Equalities implications and risks:

- 12.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 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;
 - ii. The need to advance equality of opportunity between persons who share protected characteristics and those who do not; and
 - iii. Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

- 12.2 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.
- 12.3 Whilst the borough may have the lowest rate of homelessness within the East London sub-region, Havering Housing Services recorded 760 cases of statutory homelessness, representing a 22% increase in the four years to 31 March 2017. The significant shortage of housing stock, major reforms to the benefits system and the rapidly changing demographic & socio-economic profiles of the borough are key drivers in fuelling the continuing growth in homelessness and additional pressure on the Council to source suitable housing.
- 12.4 Women often constitute a higher number of the hidden homeless, who are less visible sleeping in hostels, bed and breakfasts or with friends. Whilst homelessness has increased across the UK in the past five years, the numbers of homeless women has risen disproportionately.
- 12.5 Women who are pregnant or have disabilities and mental health issues are particularly vulnerable. Women are more likely to have experienced trauma and abuse both before and during homelessness, including separation from children. Often, many of the women who have used hostel provisions are fleeing a violent relationship and/or have had children taken into care.

- 12.6 In the year up until September 2020, single men were the largest group of people either to become homeless or to be threatened with homelessness, with 116,330 approaching councils across England. Combined with the 6,680 single fathers who approached councils. This brings the total number of male households to 122,910 presenting as homeless. A significant proportion of occupants of the hostels will be homeless single men. They are impacted by the decision to close the hostels and also will not be able to access the Family Welcome Centre that is built in its place, which is specific family provision. However, in order to mitigate the potential negative impact of this decision on this cohort, as set out in the report, the Council is implementing a Supported Housing strategy for housing single people, in order to continue to provide accommodation as may be required pursuant to statutory duties. Therefore, the separate Supported Housing strategy for housing single people is imperative to ensure such households are protected.
- 12.7 Gender therefore acts as both a symptom and a cause of homelessness – and it also affects men. Men are more likely to be made redundant and less likely to be re-employed than women, thus increasing their risk of falling into debt and losing their home. They are more likely to suffer with mental health issues and those who experience domestic violence are less likely to seek help or receive support, as many services are limited to women.
- 12.8 Sexuality can even act as a determining factor, LGBTI individuals who have struggled to find a roof over their head is often directly related to their sexuality. It is noted that LGBTI people comprise up to 24% of youth homelessness in the UK, with parental rejection, abuse and stigmatisation as leading causes. They also state that LGBTI individuals are far more likely to experience violence and exploitation once living on the streets.
- 12.9 Havering is one of the most ethnically homogenous boroughs in London, with 83% of its residents recorded as 'White British' in the 2011 census; higher than both London and England. The BME population, notably those from Black African heritage (though many of whom are likely to be British born) is projected to increase from 4.1% in 2017 to 5.3% of the Havering population in 2032
- 12.10 Households with protected characteristics are over represented amongst homeless people compared to the general population. This is particularly so for women only headed households, disabled households and households from BAME communities. The development of the new Family Welcome Centre will therefore have a positive impact on these groups as the quality of the accommodation will be of a significantly higher quality than that provided within the current hostels.
- 12.11 Officers will embark on a detailed EQHIA for the estate regeneration sites.

13.0 Legal implications and risks:

- 13.1 This report makes reference to various options to bring forward the regeneration of the Farnham and Hilldene district town centre Farnham and Hilldene district

town centre and the Hostel Sites and contemplates that this will be done via a direct delivery route. The Council has power to deliver these schemes directly. The key statutory power is section 9, Housing Act 1985 (HA 85), which is broad enough to empower the Council to provide both affordable and market sale housing where the latter is provided to subsidise the former, as well as a hostel. The Council also has the power in section 12, HA 85 to provide other buildings, including retail, subject to obtaining Secretary of State (SoS) consent. The SoS has broad discretion in this respect with the criteria being whether the buildings will serve a beneficial purpose for those provided Part II housing accommodation. There is a clear process in place to apply for consent. The Council also has the power to develop the commercial elements under the general fund through s.1 Localism Act 2011. Further advice is set out at appendix 7. The legal powers in relation to the delivery of the Chippenham Road Site are set out elsewhere on this Cabinet Agenda in the 12 Farnham and Hilldene district town centres Business Plan approval report.

- 13.2 The Council is the Local Housing Authority ("LHA") and has various statutory obligations under Parts 6 (allocations) and 7 (homelessness) Housing Act 1985. Also the Council is the landlord for many of the tenancies impacted by this regeneration, including a number of long leaseholders. The Council has contractual obligations pursuant to these agreements.
- 13.3 The Council has land acquisition powers by virtue of Section 120 of the Local Government Act 1972. The Section 120 power supports the proposals outlined in this report as it allows acquisitions to be made for any authorised purpose "notwithstanding that the land is not immediately required for that purpose; and, until it is required for the purpose for which it was acquired, any land acquired under this subsection may be used for the purpose of any of the council's functions.
- 13.4 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.
- 13.5 Where the Council has accepted a homelessness application and it appears the applicant may be homeless, eligible and in priority need, then the Council will be under a duty to temporarily accommodate the applicant and any person reasonably expected to reside with them, in accommodation which is suitable. Further, if the Council accepts the full housing duty then suitable temporary

accommodation must also be provided pending discharge of that duty by an allocation from the housing waiting list or into an appropriate private rented sector tenancy. Accordingly, when the Abercrombie hostel site is closed to allow development of the new Family Welcome Centre, alternative temporary accommodation will need to be provided for those hostel residents impacted.

- 13.6 The arrangements contemplated by this report are likely to involve the disposal of land. The Council has powers under section 123 Local Government Act 1972 to dispose land.
- 13.7 Consent of the Secretary of State is required for a disposal which is at less than the best consideration reasonably obtainable. The Council has power to dispose of housing land under section 32 of the Housing Act 1985. Consent of the Secretary of State is required to dispose of housing land. The General Housing Consents 2013 sets out criteria which if met automatically means a disposal has the Secretary of State's consent. General Housing Consent A3.2 permits a local authority to dispose of vacant land. If the General Consents do not apply then specific consent from the Secretary of State will need to be sought.
- 13.8 This report delegates authority to the Director of Regeneration to appropriate land for planning purposes. The power to appropriate for planning purposes is section 203 of the Housing and Planning Act 2016. Appropriation for planning has the effect of overriding easements and other rights. Under section 19(2) of the Housing Act 1985. Land held for the purposes of Part II housing (commonly referred to HRA land) cannot be appropriated without Secretary of State (SoS) consent when it includes a house or part of a house.
- 13.9 The Council has a broad power to appropriate land for purposes of Part II housing under section 19(1) of the Housing Act 1985. This power can be used by the Council to transfer the freehold of land into the HRA following appropriation for planning purposes.
- 13.10 The programmes detailed in this report includes various matters which would require appropriate arrangements to be made in respect of procurement and these will be dealt with under separate governance reports at the relevant time.

BACKGROUND PAPERS

Exempt Report

Appendix 1 – Red Line Boundary

Appendix 2 – Review of existing commercial portfolio and proposed commercial phasing strategy (EXEMPT)

Appendix 3 – Consultation and Farnham and Hilldene district town centre ballot timeline and strategy

Appendix 4 – Financial Dashboard (EXEMPT)

Appendix 5 – Scheme masterplan and designs (EXEMPT)

Appendix 6 – Financial review including assessment of preferred delivery structure (EXEMPT)

Appendix 7 – General Fund Financial Assessment (EXEMPT)

Appendix 8 - Legal Implications (EXEMPT)