RECOMMENDATION

1. That Executive agree a reversion to the former decant policy (as agreed by Housing Committee on 16 March 1998) for the purposes of decanting the Heygate estate, as detailed in paragraph 18 of this report.

2. That there should be a pilot for Heygate Estate in which an extra bedroom to existing underoccupying households moving into new Housing Association properties subject to the qualifying criteria for the current extra bedroom policy. The lessons learnt from applying this option should be fed into any future review of decant policy.

3. That Executive agree that the Housing Investment Programme should make temporary funding provision to fund early leasehold buyouts, to be reimbursed no later than financial year 2008/9 when capital receipts are accrued through the Elephant and Castle regeneration scheme as outlined in paragraph 45 – resource implications.

4. That Executive agree to continue to develop housing options for leaseholders whose interests will be acquired as part of the main scheme, including shared and retained equity arrangements, as referred to in paragraph 32.

BACKGROUND INFORMATION

5. In 1998 Southwark Housing Committee adopted its first borough-wide decant policy for regeneration schemes. This was superseded in 2002 by the current policy, which was agreed by the Executive Committee on 17th December 2002. The current Decant Policy is summarised as follows:

- The policy is based on the principle that each regeneration scheme provides sufficient properties for the decant needs they generate. An assessment of the housing needs of tenants determines the planning and design of regeneration schemes specifically to meet those needs.
• Therefore there is no option to move to other properties outside the scheme, no areas of choice, no choice of landlord as part of the decant
• Tenants are required to move only once.
• Tenants in arrears are eligible for transfer if they are complying with the terms of suspended possession order.
• Until a replacement property is ready to move into, the tenant can remain on the transfer list for a move to elsewhere in borough. However, if the tenant is not moved in this way by the time decanting starts, he/she will be required to move to a replacement property. A transfer application can be started again from the replacement property.
• The decant policy does not allow for an extra bedroom in replacement property for under-occupiers. However, under-occupiers who qualify for the Under-Occupation Initiative can register for a move under this to a smaller property elsewhere in borough, assisted by financial incentives. Should they not have moved under this scheme before the decant date, tenants will be required to move to replacement properties within the regeneration scheme. In practice this situation should only arise where the tenant has refused ‘under-occupation’ offers.
• Where tenants’ needs change between registration and handover of replacement properties, households will need to be registered on the transfer list. If no transfer offer is forthcoming in time, an allocation will be made in the first instance to the replacement property originally identified.
• Freeholders or leaseholders may be re-housed, if after buyout, they are not in a position to purchase another suitable property in Southwark on the open market. This is assessed through the Management Needs Panel.

6. This policy had been proposed by the Decant Working Party – which had met during 2001-2. Problems experienced during a number of decant schemes eg Peckham Partnership had prompted the Council to undertake this policy review. The Working Group included tenant and leaseholder representatives, and the policy was subject to consultation with Neighbourhood Forums, Project Teams, Tenant Council and Leaseholder Council.

7. One major advantage identified with the new approach was that the new-build (or refurbished) homes would be set aside for tenants. To apply the extra bedroom policy to the new proposals was deemed to add to the cost of the regeneration scheme – the alternative approach of allowing moves under the Under-Occupation Initiative up until actual decanting was agreed instead.

8. The decanting and demolition of the Heygate estate is central to the wider plans for the redevelopment of the Elephant and Castle, as contained within the ‘Framework for Development for the Elephant and Castle’, endorsed by the Executive on 19 February 2004. The Elephant and Castle scheme is intended to create a new town centre with new commercial and leisure facilities served by a new transport interchange, and 5300 new homes, including 1100 replacement properties for the Heygate estate. The Framework identifies approximately 20 potential sites on which the council, in partnership with housing associations, is proposing to produce high quality replacement units for Heygate residents who wish to remain in the area.
9. On 17 June 2003 the Executive considered and approved the report entitled ‘Elephant and Castle – Procurement Arrangements for Development of Early Housing Sites’ which stated that ‘the Council reaffirms its existing commitment to replace the social housing capacity of the Heygate estate ie. 1100 net units’ and ‘Heygate tenants will be offered priority allocations of the new replacement housing’. The Executive confirmed that the Council needed to agree a decant policy for the Elephant and Castle that would meet the needs of those tenants who may not wish to move to new accommodation in the surrounding area, in accordance with the following principles:

a. Every secure tenant on the Heygate estate is to be offered a nomination to a new RSL home of a size and specification suitable for their assessed housing needs, and with access to an additional bedroom for qualifying underoccupiers. *(This is a variation to current decant policy).*

b. Where a tenant expresses a specific requirement to remain as a Council tenant one reasonable offer of alternative council property elsewhere in the borough will be made to that household. *(This is a variation to current decant policy).*

c. In the case of a leaseholder who is demonstrably unable to secure alternative accommodation on the basis of the compensation due to be paid by the Council, that household will be offered re-housing. *(This is in line with current decant policy).*

This variation to the current decant policy (b) was proposed in recognition of the need to decant Heygate over a short period and the timescales for the availability of replacement homes.

10. The development of a decant strategy for Heygate has been informed by the views of residents. In 1999 the Council commissioned a survey by MORI to follow up an option appraisal undertaken prior to establishing the Southwark Estates Initiative. The survey found that 70% of Heygate residents expressed a wish to move to a new home on the site of the Heygate estate. The MORI findings were backed up by a housing needs survey of Heygate tenants undertaken between June and December 2002 whose primary aim was to help assess the development capacity of the early sites. In the context of the Heygate proposals, tenants were also asked about their wish to be re-housed in the area. The majority of the tenants interviewed (80% of the estate) expressed a desire to remain in the Heygate/Elephant and Castle area. Leaseholders and residents of the Kingshill sheltered unit were not included in the survey and will be visited separately. A further consultation exercise was run by Marketlink consultants in 2003 and found that on the Heygate estate, 52% of the respondents liked the re-housing proposals and 31% were neutral.

**KEY ISSUES FOR CONSIDERATION**

**Development issues**

11. The Elephant & Castle is a complex, large scale and high profile scheme with local and regional significance. The demolition of the Heygate estate is a key component of the overall project and will need to be carefully choreographed to avoid delays to
the redevelopment of the wider area. A development programme has yet to be worked out in detail, but it is envisaged that the estate will be demolished in phases, and broadly from south to north. The blocks south of the line of Heygate Street ie Swanbourne, Wansey Street, Kingshill Wingrave and 43 – 53 Rodney Road will in all likelihood be first. Of the other blocks - Ashenden, Claydon, Marston, Cuddington, Chearsley and Risborough, some will also be in Phase one, the remainder in Phase 2. The Council will need to ensure that the new housing developed on the early sites is designed to meet the needs and aspirations of Heygate decants, and that completions of new units are programmed to coincide with the phased demolition and redevelopment of the existing estate. Any phasing sequence will require careful management to ensure that small numbers of residents are not left for any length of time in largely empty blocks and using the option of rehousing into existing council units will assist in achieving this.

12. An indicative outline programme for development and decant is provided below:

**Phase 1**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2004</td>
<td>Agree amended decant policy for Heygate.</td>
</tr>
<tr>
<td></td>
<td>Commence Heygate referencing.</td>
</tr>
<tr>
<td></td>
<td>Start selection of RSL partner(s) for Heygate replacement sites.</td>
</tr>
<tr>
<td>Mid to late 2004</td>
<td>Submission of planning applications for early housing sites.</td>
</tr>
<tr>
<td>Late 2004</td>
<td>Start on site pilot development at Wansey Street car park.</td>
</tr>
<tr>
<td>Late '04/early '05</td>
<td>Commencement of decant, using new Wansey Street units and council relets</td>
</tr>
<tr>
<td>Mid to late 2005</td>
<td>Completion of Wansey Street</td>
</tr>
<tr>
<td>Early 2006</td>
<td>Start on site first units on the 20 Heygate replacement sites.</td>
</tr>
<tr>
<td>Mid 2008</td>
<td>Completion of first of 20 Heygate replacement sites and first phase decanting of Heygate.</td>
</tr>
<tr>
<td>Late 2008</td>
<td>Demolition and redevelopment of first phase of Heygate estate</td>
</tr>
</tbody>
</table>

**Phase 2**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid 2010</td>
<td>Completion of Heygate replacement homes. Referencing to commence at date to be arranged.</td>
</tr>
</tbody>
</table>

13. It is proposed that the development sequence will commence with new Housing Association properties being constructed on the 20 council owned sites identified in the Framework for Development. The sites are in four main clusters - Harper Road, Rodney Road, St Mary’s Churchyard and South Newington. They are assessed to have a total development capacity of 700 affordable rented units, as well as 300 or so units for outright or intermediate sale to provide cross subsidy. As there is a commitment to re-provide 1100 rented units, the remaining 400 will be constructed in a later phase, on Heygate land cleared by the first phase. Any of the new properties that are not required for Heygate decant will be allocated to households on the housing list. An additional advantage of amending policy will help mitigate any issues caused by planning and contractual delays resulting from the multiple site development approach.

14. The process of selecting one or more housing association partners to develop the Heygate replacement units will commence in Spring 2004. Submissions will be invited under the EC Procurement Rules commencing with an advertisement to be placed in the European Journal (OJEC). Officers are currently developing the
selection criteria, which will include financial, organisational and management performance as well as a track record of developing quality schemes with a high level of resident involvement. Housing Associations will also be selected on their ability to cross subsidise the affordable housing provision by using a combination of housing for sale and their own internal subsidy.

15. It is anticipated that no Housing Corporation Social Housing Grant will be available for the development of the 1100 Heygate replacement units, because the criteria for funding is to provide additional affordable homes rather than replacement ones. Although the regeneration of the Elephant and Castle area will provide an increase in the number of affordable units in the area, it is assumed that housing associations will fund the developments by making use of the free, or reduced value land and will cross subsidise the affordable housing from the development of housing for sale.

**Decant Issues**

16. The current decant policy has many strengths based as it is on previous experience of decant schemes. However, an orderly decant of Heygate will need a more flexible approach, including the use of lettings of council properties, to recognise the importance of the Heygate Estate in the delivery of the wider Elephant and Castle project.

17. As there is no Council new build proposed within the scheme, if the 2002 decant policy were applied there would be no option for Heygate residents to be offered a Council tenancy, which would be in conflict with the principle agreed by the Executive in June 2003.

18. An additional concern has come to the fore amongst the Heygate tenants regarding the current decant proposals. This particularly concerns tenants who are currently under-occupying and who under the current decant proposals will not be entitled to move to a property with an additional bedroom over and above their family’s needs. In order to address this concern it is proposed that the policy be amended to include the ability to offer an extra bedroom above assessed need to underoccupying households moving to new Housing Association homes built as part of the Elephant and Castle regeneration scheme. The criteria which applies to the current extra bedroom policy (i.e. that they need to have a clear rent account) will apply. The advantage of such an approach is that it would provide an incentive for people to accept properties on an assured tenancy and would have consequent potential reduction in the call on the council stock. There are also possible management advantages of having new developments underoccupied. The application of this policy could lead to additional costs and reductions in density of developments. However the potential impact of the policy is unknown at this stage, it is proposed that it be piloted on the decant scheme at Heygate. The lessons learnt from the scheme could then be incorporated into any future review of the decant policy.

19. It is recommended therefore that the Council re-adopts the 1998 decant policy for the Heygate estate, with a variation of offering an extra bedroom for under-occupiers in new build properties. The effect of applying the 1998 policy to Heygate would be:
a) Tenants to be decanted would have a choice between moving away from their estate to an existing Council property (i.e. a re-let) elsewhere the borough, or moving to a new-build property within the regeneration scheme, which would have an alternative landlord.

b) If tenants expressed a preference for a permanent move to a Council property elsewhere in borough, then their ‘reasonable aspirations’ would be taken into account (eg. floor level, garden or property type as in their existing property), as allowed by the Council’s available resources. These tenants would need to identify at least 6 lettings areas in the borough for such a move.

Tenants moving to an existing Council property elsewhere in borough who are under-occupying and not in rent arrears may be offered an extra bedroom over their assessed needs. On a pilot basis this will also be possible for tenants moving to the new HA property provided as part of the scheme. This would be subject to availability of resources. First priority would be given to those moving to their correct bed size; consequently those wanting an extra bedroom would be likely to wait longer for a move. If a tenant refuses an offer, in exceptional circumstances, the Housing Options Manager would have the discretion to make a further offer, up to the date of the Court hearing.

c) Freeholders or leaseholders will be offered re-housing if, after buyout, they were not in a position to purchase another suitable property on the open market. Under these circumstances, leaseholders will receive the same treatment as tenants.

d) If opting for new build, tenants would not have the right to choose between Council or HA property, because all the new build properties would be HA.

This approach has the merit therefore of allowing both a choice of landlord and allowing for an extra bedroom for under-occupiers.

20. The reversion to the above policy for Heygate would allow the Council to make one offer of a Council re-let to all those Heygate tenants who express a preference to remain a Council tenant.

21. Tenants will be required to make a binding decision at the time their application is registered whether they wish to be re-housed in a new housing association property provided within the scheme or in a Council re-let elsewhere in the borough. Tenants who elect to be re-housed in a Council re-let would be allowed areas of choice based on the Council’s Allocations policy – at present 6 Neighbourhood areas.

22. Until full scale referencing of Heygate residents commences, it is too early to determine accurately the level of demand on the estate to remain as Council tenants, although it is anticipated that most will prefer the new build option. Referencing has been programmed to commence early in 2004. However an Executive decision on decanting is required in advance of this exercise, to enable officers to provide Heygate residents with clear and unambiguous re-housing options.

23. Adopting a more flexible approach for decanting the Heygate Estate than the current policy should ensure that tenants choosing a Council relet property have moved out
before the last of the replacement properties on the 20 nearby sites are completed in 2008. This should avoid the danger that only one or two tenants remain in occupation, refusing offers because of unrealistic expectations and delaying contract start dates. The proposed flexible approach does however require a longer decant period than allowed in previous major Council decant schemes. This is reflected in the proposal that Phase 1 of the Heygate decant will take place over 3 years from 2005 – affecting the first 700 properties.

24. The proposed longer decant phases also spread the demand from Heygate tenants for relet properties across the borough over a greater number of years. This therefore will mean less effect for other applicants on the Housing List whilst the decant takes place – and before the last of the 1100 Heygate replacement become available for general lettings. The longer phases will however have the effect of pepperpotting empty properties across the blocks – unless they can be used on a short term basis for homeless families.

25. New lettings on the Heygate estate ceased in early 2001. Of the 1212 properties on the Heygate, 132 are leasehold and 180 are currently void or pending. Of the 180 void properties, 159 are being used as temporary homeless accommodation, and 19 of the 34 sheltered flats within the Kingshill block are vacant, but not being used as temporary accommodation. It is likely that the number of tenanted properties on the estate will continue to fall, prior to the commencement of active decanting.

26. The Council’s commitment to reprovide a minimum of 1100 affordable rented units through the Elephant and Castle regeneration scheme will remain constant regardless of the number of Heygate decants who take up the offer of a Council tenancy outside of the scheme. There will be affordable properties generated from Section 106 agreements on private housing developments in the Elephant and Castle area. Properties for rent can be provided within these developments by Housing Associations working to the same standards as those building on the council owned sites.

Leaseholder Issues

27. It is proposed that the provision for the re-housing needs of leaseholders is included in the policy for Heygate in the same way as in the current and previous decant policies. The comprehensive redevelopment of Heygate and hence the Elephant and Castle requires each of the current 128 residential interests to be acquired. There are also other non-residential interests that will have to be bought in, in order to secure full site assembly.

28. Requests have been received from a number of leaseholders who, due to their personal circumstances, wish to move from the Heygate at the earliest opportunity and in advance of any formal programme of acquisitions. At the leaseholders’ briefing on 10th September 2003 it was agreed with leaseholders that, where they were requesting valuations, these would be undertaken by Council valuation officers and on a strictly ‘without prejudice’ basis. The intention behind this was, firstly, to provide leaseholders with an indication of the likely market value of their property,
and secondly, if they did wish to move quickly to allow for speedy progress to be made with leaseholders should funding become available.

29. To ensure that all third party interests in the Heygate site can be successfully acquired, the Council will, at the appropriate time, need to seek powers of compulsory acquisition. For negotiated acquisitions, the basis of assessment of purchase price will be based on the level of compensation that would be payable in a CPO situation. This will usually comprise the market value of the property, a home loss payment of 10% of market value plus disturbance costs such as professional fees and costs associated with moving and acquiring a replacement property.

30. Parties who have entered into these ‘without prejudice’ negotiations have employed professional representation to ensure that market value for the property is agreed and in due course paid for the respective interests.

31. In order to ensure fairness and transparency in these proposed early acquisitions it will be necessary to establish a methodology for prioritising expressions of interest in an early move from the estate. It is proposed that the mechanism for establishing priorities is based firstly on the location of the property on the estate in relation to the decant phasing plan, then on the personal circumstances of the individual leaseholder/commercial owner, and then on the date of application to the Council to sell their property.

32. At this stage, no indication of the availability of finance has been given to leaseholders, in order to avoid raising false hopes. Discussions with some leaseholders have however already established a clear, shared view as to current value and it is considered that these transactions could be advanced relatively quickly.

33. If agreed, the acquisitions will be made on the condition that no rehousing will be offered. If rehousing is a relevant issue then these properties will have to dealt with within the formal acquisition programme to follow. Similarly, leaseholders who wish to participate in any retained equity schemes developed as part of the main scheme cannot be dealt with as part of this early acquisitions programme. The negotiation of shared ownership retained equity schemes for people to buy a share in a higher valued property will form part of the procurement exercise to select housing association and developer partners.

34. Once properties are acquired and vacant possession is obtained, it will be possible to offer the properties for temporary lets for homeless households.

35. The October 2003 Heygate Update Bulletin (sent to all residents) confirmed that leaseholders who wished to take up the offer could have a valuation inspection carried out by a Council Valuer.

36. The Elephant and Castle Development Team has been contacted by 31 leaseholders and inspections have been carried out. Some of these leaseholders have merely wished a valuation to be carried out to assist in their own planning but are not necessarily looking to move immediately or earlier than necessary. Where leaseholders have expressed an interest in moving as soon as possible an allowance has been made to fund independent professional advice. Negotiations are
being carried out with the professional representatives of 8 leaseholders, of which 6 have been agreed and 2 are still ongoing. In all cases agreement has been made expressly conditional on the availability of Council capital.

37. At no point has any leaseholder been given the impression that there are funds available as yet, although they have been told that bids have been made in order to commence site assembly at the earliest stage that the Council finds itself in a position to proceed.

38. In addition to the leaseholders there is an immediate additional acquisitions that might be completed at an early stage – the head and sub-leasehold interests in the petrol filling station at 139-147 Walworth Road in front of the Swanbourne block. Very preliminary discussions have also been commenced with the Crossways Church at 1 Deacon Way but there is no requirement there for an early move and in practice a ‘Rule 5’ equivalent re-instatement in likely to be the eventual basis of settlement.

39. As is summarised in paragraph 39, the total estimated possible expenditure on these early leasehold acquisitions (ie. those 31 or so leasehold acquisitions which it is assumed could possibly complete by March 2005) is £3.69m. This figure is based on those properties for which negotiations have been undertaken as well as properties where leaseholders have expressed an interest in early disposal.

40. It will be noted that some of the properties inspected will not wish to move to an early disposal to the Council, but that it is also likely that additional leaseholders may wish to move to an early disposal as their personal circumstances change. It is therefore considered that the figure of £3.69m will enable significant progress to be made in acquiring the properties of those leaseholders who wish to move over the course of 2004/2005. It is proposed that the funding required should initially be met from Housing capital resources and that Housing be reimbursed from the accumulating capital receipts within the scheme by at least 2008/09.

41. Should funding be approved at this meeting of the Executive, reminder letters will be sent out to all of the leaseholders who have had their properties valued but have not as yet reached agreement setting out the proposed terms of acquisition and inviting them to instruct professional advisers. This will ensure that each leaseholder who has expressed an interest in moving to this date is dealt with equitably.

Conclusion

42. The re-adoption of the 1998 decant policy for Heygate is being recommended for a number of reasons. The scheme depends on Heygate blocks being made available for re-development, to create the required capital value. Timing will be important for programme reasons, but more critically, the period of decant of specific blocks will need to be controlled to minimise management difficulties and inconvenience and risks for residents. In addition, the re-adoption of the principles of the 1998 policy will not only give residents a clear and open choice of landlord and area, but will also give the Council the flexibility to offer decanting solutions outside of the immediate regeneration scheme, without having an impact on the net number of new dwellings provided by the end of the redevelopment programme. Tenants who take up the
offer of a Council re-let elsewhere in the borough will create a demand for properties at the expense of other applicants on the Housing List between 2005 and 2008 but will free up high quality new housing association properties to meet the needs of other applicants on the Housing List. The 1998 policy also allows tenants who qualify, the possibility of an extra bedroom, when being offered an existing Council property.

43. Many of the reasons given for the adoption of the decant policy apply equally for leaseholders. The suggested approach would ensure that when re-housing for tenants commences, there is a parallel process for leaseholders. In the appropriate cases, this would include consideration of individual leaseholders for re-housing as tenants.

Policy implications

44. The allocations policy is currently under review and this will include consideration of overall decant issues, but this will not be included in time for the Heygate decant to start. Therefore, it is proposed that the Heygate estate is dealt with separately, in advance of the allocations review. This is in recognition of the tight programming required on such a large decant scheme, and the fact that full scale referencing needs to commence as early in 2004 as possible. An advance decision on Heygate decanting will also allow Council officers to proceed with negotiations with those leaseholders who have expressed an interest in early disposal.

Effect of proposed changes on those affected

45. For the Council, the ability to take a more flexible approach to the re-housing of Heygate tenants would reduce the risks of the supply of new properties not being delivered at the right time, and would enable the decant of the estate to be completed in fewer phases. For the residents of Heygate, the reversion to the pre-2002 decant policy would not only represent a clear choice of landlord, but also a smoother and speedier transition from the old estate to their new homes, making personal planning more tangible.

46. For the leaseholders who are seeking to negotiate sale of their interests to the Council relatively early in the process, the recommended approach provides a degree of certainty. The recovery of any number of properties in this way obviously also contributes to the delivery of overall programme.

47. The affect on those affected by the enactment of these proposals will be closely monitored to ensure that no disadvantage arises.

Resource implications

48. The funding arrangements to deliver the Heygate decanting will be contained within the overall capital costs of the Elephant and Castle regeneration, which will be the subject of a separate report from the Elephant and Castle Project Team. The costs for Heygate are essentially those of securing vacant possession, ie. home loss, disturbance and leasehold acquisition. It is assumed that the cost of demolition will fall to a third party and will therefore be netted off the land receipt. The table below profiles all tenant home loss and disturbance costs for 7 years of the programme,
based on working estimates totalling £3.5m. The table also incorporates leasehold acquisition costs for those 30 or so acquisitions which are anticipated to complete within 2004/5, estimated at £3.69m. Estimated acquisition costs for the 96 or so remaining leaseholds which will be acquired by the Council in 2005/6 and beyond will be contained within a future report.

<table>
<thead>
<tr>
<th></th>
<th>2004/5</th>
<th>2005/6</th>
<th>2006/7</th>
<th>2007/8</th>
<th>2008/9</th>
<th>2009/10 &amp; Total</th>
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<td></td>
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<tr>
<td>Homeloss</td>
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<td>1,162,500</td>
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<tr>
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<td>26,950</td>
<td>831,600</td>
<td>1,443,750</td>
<td>1,124,200 3,511,200</td>
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<td>Leasehold Acquisition</td>
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<tr>
<td>Totals</td>
<td>3,720,800</td>
<td>53,900</td>
<td>26,950</td>
<td>831,600</td>
<td>1,443,750</td>
<td>1,124,200 7,201,200</td>
</tr>
</tbody>
</table>

Note: The resource information for leasehold acquisition is for the early purchases only.

**Chief Finance Officer Concurrent**

49. The costs outlined in this report are those required to ensure that there is vacant possession of the Heygate estate and are a part of the Elephant and Castle regeneration project. These are currently estimated to be £7.201m for the period 2004/05 to 2010/11. It would be anticipated at this stage that these costs will vary during this period but will be reviewed through financial monitoring procedures. The decant arrangements will also have an impact on the operation of the revenue aspects of the housing revenue account, the impact of these will be determined through the business planning process.

50. The costs detailed above are to be initially funded from the housing capital resources. The expenditure will be the responsibility of the Elephant and Castle Development Team with monitoring of expenditure taking place in conjunction with the Housing Department to assess the level of spend and the resources it will require.

51. Ultimately, the resources used to fund these costs will be reimbursed to Housing to which recommendation 2 refers. This will take place through two mechanisms:

a). As properties in the regeneration area are disposed of the receipt will be available to Housing. This is allowable under regulation 18 of the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003. To be able to utilise its provisions, which allows spending on regeneration projects to be recovered from housing (non RTB) disposals, the Council must specify its anticipated expenditure on the Elephant and Castle project. It is understood that this is to be undertaken in the future by the Elephant and Castle Development Team.

b). By reducing the housing pooling requirement. Again receipts would be available to Housing. Under regulations 20 and 19 a proportion of the costs of purchasing dwellings in one year can be used to reduce capital receipts obtained in the following year, reducing the pooling requirement.

**Housing Investment Implications (inv/ii/1454/cmc)**
52. The 2004/05 Housing Investment Programme includes resources made available in line with the estimated expenditure profile at 45. An estimated 96 remaining leaseholds will be acquired in 2005/06 and beyond but no additional allowance has been made for these, as estimated costs have not been identified at this stage.

53. Housing expects Capital receipts by 2008/09 at the latest to enable its obligations to meet Decent Homes standards to be met by the target date of 2010.

Consultation

54. Three surveys of Heygate residents have been carried out within the last three years; a MORI survey in 1999, a Council housing needs survey in 2002 and research carried out by Marketlink consultants in 2003. The latter formed part of a wider consultation exercise which commenced in June 2003 to mark the launch of the draft Framework for Development. A public exhibition for the wider community was held at the Elephant and Castle shopping centre, followed by a six-day exhibition on the Heygate estate to which Heygate residents were invited on a block-by-block basis. Further meetings were held with Community Councils, Neighbourhood Forums and Tenants and Residents Associations. The Heygate T&RA has held fortnightly project meetings which have been attended by Council officers from within Housing and the Elephant and Castle project team, and in addition, special interest general meetings have been held separately for leaseholders, tenants and residents of the Kingshill sheltered unit. A detailed survey of the 14 remaining sheltered residents is due to take place early in 2004, in advance of the commencement of in-depth referencing of the entire estate. As a result of one of the leaseholder meetings, the approach of ‘without prejudice’ discussions with individual leaseholders was adopted.

55. The referencing exercise, due to commence when the policy position is agreed, will help to inform people about the decant policy and any variant of it that applies.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Borough Solicitor and Secretary

56 (i) Members are asked to note the changes that have been made to the council’s current decant policy, and the reason for the changes. Members should note that, the policy is being amended to take into account the results of the MORI survey which took place in 1999.

(ii) Members should note that the proposed amendment to the policy, recognises the fact that the overall policy on allocations will shortly be changed, and that there is a need to set out the decant policy which will govern this scheme. The amendment recognises the wishes of some tenants living on the Heygate estate to be given the option to remain secure tenants by being made an offer of accommodation from the council’s own housing stock.

(iii) The proposed changes recognise the consultation that has been carried out by the council in accordance with section 105 of the Housing Act 1985 and the need to give effect to that consultation.
(iv) It also provides that under-occupiers on the Heygate who are being decanted, will not be treated less favourably, than other under-occupiers, under the council’s existing policy.

(v) Members should also note, that the flexibility introduced by the proposed Heygate decant arrangements, is likely to make a legal challenge to the council’s policy, less likely.

REASONS FOR URGENCY

57 To enable the rehousing referencing exercise for Heygate Estate to be commenced forthwith. The council has already made a commitment by estate newsletter that this would start in March, and whilst the delay until now can be explained, the next major consultation with Heygate tenants is already ongoing. It will not be acceptable for this exercise, which concludes on 22nd May 2004 to have not agreed the decant policy for Heygate that will enable referencing to begin. For this reason, this report cannot wait until a later meeting of the Executive. The referencing exercise underpins all the next stages of development and consultation work required to advance the regeneration of the Elephant and Castle. A delay in considering this matter will also have immediate programme implications.

REASONS FOR LATENESS

58 To enable further advice to be taken on elements of the proposed policy, that will maximise the range of housing choices available to Heygate residents.

<table>
<thead>
<tr>
<th>Background Papers</th>
<th>Held At</th>
<th>Contact</th>
</tr>
</thead>
</table>
| Heygate project files, decant policy reports. | a) Housing Regeneration Initiatives, 9 Larcom Street, SE17 1RX, b) Housing Options, Chatelaine House, 186 Walworth Road SE17, c) Coburg House, 63-67 Newington Causeway, SE1 6LS | a) Maurice Soden 020 7525 7810  
b) Miny Jansen 020 7525 4089  
c) Paul Scaplehorn 020 7525 4909 |
# Audit Trail

## Lead Officer
Keith Broxup, Strategic Director of Housing / Paul Evans, Strategic Director of Regeneration.

## Report Author
Maurice Soden, Estate Regeneration Co-ordinator / Miny Jansen, Housing Options Manager / Chris Horn, Project Director.

## Version
Final

## Dated
11.5.’04

## Key Decision?
Yes

### CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER

<table>
<thead>
<tr>
<th>Officer Title</th>
<th>Comments Sought</th>
<th>Comments included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borough Solicitor &amp; Secretary</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Chief Finance Officer</td>
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<td>Yes</td>
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<tr>
<td>Housing Options Manager</td>
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<td>Yes</td>
</tr>
<tr>
<td>Executive Member</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Date final report sent to Constitutional Support Services
