

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> February 8 2005	<b>MEETING NAME</b> Executive
<b>Report title:</b>		Elephant & Castle Leaseholder Policy	
<b>Ward(s) or groups affected:</b>		East Walworth Heygate Estate Leaseholders	
<b>From:</b>		Strategic Director of Regeneration Strategic Director of Housing	

### RECOMMENDATION(S)

1. That the Council adopt the policy set out within this report in relation to Leaseholders on the Heygate Estate subject to the terms outlined in paragraphs 18 to 27 of this report.
2. That Officers put the policy into effect with leaseholders on the Heygate Estate; in the case of the comparative value scheme outlined in paragraph 27, further Executive approval to be sought if more than 20 transactions are required.

### BACKGROUND INFORMATION

3. The proposals outlined in this report are in support of the regeneration of the Elephant and Castle. The proposed policy is a new approach to Leaseholder issues and relates only to the Heygate Estate, which is central to the regeneration scheme.
4. The proposals follow a series of Council decisions in support of the overall programme which was initiated by the Executive decision of 23<sup>rd</sup> July 2002 "A fresh start for the Elephant and Castle". In summary the Council has since that date approved the following matters:
  - An initial survey of public attitudes towards the Elephant and Castle and the prospects for its regeneration.
  - Publication of initial framework for development establishing the Council's general objectives for achieving comprehensive and sustainable redevelopment of the core area.
  - An extensive programme of in depth consultation and opinion testing accompanied by an intensive technical testing and development of the framework.
  - Initial scoping of the early housing programme including identification and consultation upon possible sites.
  - Adoption in February 2004 of the revised, detailed framework as Supplementary Planning Guidance.
  - Approval in July 2004 to proceed with procurement of RSL partners to develop the early housing sites.
  - Approval of commencement of Commercial Partner Selection process.

17. This impact may be particularly felt by retired persons who may have paid off a mortgage, and have no means to raise further finance. It is clear that some provision should be made for leaseholders in pursuit of the policy aim that people in the area should benefit from the regeneration scheme

#### Options for Leaseholders

18. The following options have been considered in respect of the re-housing of leaseholders with provision either through the private sector, RSLs or the Council:-

- Buying a property on the open market
- Buying a shared ownership unit
- Buying a retained equity unit
- Comparative value transaction
- Becoming a tenant within one of the new early housing site properties or within the Council's existing stock

These options are explained in more detail in paragraphs 24-27.

19. All of the foregoing with the exception of (a) would be over and above the statutory minimum requirement on the Council as acquiring/housing authority. Option (a) is the default position within the decant policy for resident leaseholders who cannot afford to buy an alternative property. Options (b) and (c) are intended to meet the aspirations of Heygate leaseholders who wish to remain in the area with a property ownership interest. Option (d) would make provision for leaseholders who wish to stay in owner occupation in an equivalent value property in the borough. Therefore it is recommended that options b) to d) should only normally be provided to leaseholders who meet the following criteria:-

- That the lessee acquired the property either by way of Right to Buy or on the open market prior to 19<sup>th</sup> February 2004 (this being the date that SPG for the Elephant & Castle was adopted by the Council)
- That a party who is in the process of acquiring by Right to Buy submitted their application prior to 19<sup>th</sup> February 2004 but complete after that date.
- That the leaseholder must be in actual occupation of the property for at least 1 year prior to the acquisition of the property.

20. It is considered that the introduction of these conditions is justifiable as it would prevent re-housing assistance from being directed to persons who have sought to benefit from the Council's intention to proceed with the decant of the Heygate Estate. The Council's intentions to develop the estate have been widely advertised through leaflets, newssheets and letters as well as more exposure in the local and national press and comprehensive consultation exercises. It would mean assistance, if made available, would be properly directed towards residents of the local area who have opted to hold a stake in the area before the regeneration was formally declared.

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