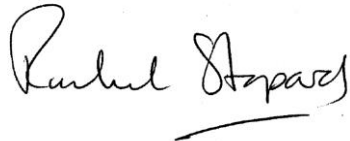


LONDON BOROUGH OF CAMDEN	WARDS: All Wards
REPORT TITLE: COMMUNITY INVESTMENT PROGRAMME AND ACCOMMODATION STRATEGY (CENV/2013/51)	
REPORT OF Directors of Finance, Culture and Environment, Housing and Adult Social Care and Children, Schools and Families.	
FOR SUBMISSION TO Children, Schools and Families Scrutiny Committee Resources and Corporate Performance Scrutiny Committee The Cabinet	DATE 26 November 2013 3 December 2013 4 December 2013
<p>SUMMARY OF REPORT</p> <p>The Community Investment Programme (CIP) is a long-term programme bringing together a range of work focussed on ensuring best use of the Council's assets to improve, shape and transform key places and services within Camden, whilst simultaneously addressing a critical capital funding gap. The programme is making and will continue to make an important contribution to the delivery of objectives within the Camden Plan, particularly harnessing the benefits of economic growth, tackling inequality, investing in our communities to ensure sustainable neighbourhoods and delivering value for money.</p> <p>This particular report seeks approval of a number of key CIP schemes; three housing regeneration projects and three mixed-use developments including two school schemes and one project incorporating key community facilities.</p> <p>The report also provides an update on the Council's Accommodation Strategy.</p> <p>This report is coming to the Cabinet because the Constitution requires the Cabinet to consider the proposals as set out for each of the CIP schemes.</p> <p>Local Government Act 1972 – Access to Information The following document(s) has been used in the preparation of this report:</p> <p>July 2012 Cabinet Report (CIP) – CENV/2012/25 July 2011 Cabinet Report (CIP) – CENV/2011/45</p> <p>Contact Officer: Ed Watson, Assistant Director – Regeneration and Planning Address: Culture & Environment Directorate, Town Hall Extension Telephone: 020 7974 5622 Email: Ed.Watson@camden.gov.uk</p> <p>Contact Officer: David Tullis, Assistant Director Finance – Head of Property Services Address: Finance, Town Hall Extension Telephone: 020 7974 1604 Email: David.Tullis@camden.gov.uk</p>	
<p>WHAT DECISIONS ARE BEING ASKED FOR?</p> <p>The Children, Schools and Families and Resources and Corporate Performance Scrutiny Committees are asked to consider the report and forward any comments to the Cabinet.</p> <p>The Cabinet is asked to approve the recommendations set out within the body of the report (immediately following sections 8, 15, 22, 29, 36, 43)</p>	

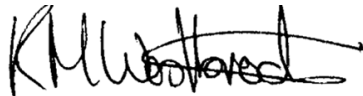
Signed:

Agreed by the Director of Finance

Mike O'Donnell, Director of Finance



Rachel Stopard, Director of Culture and Environment



Rosemary Westbrook, Director of Housing and Adult Social Care



Helen McMullen, Director of Children, Schools and Families

Date: 20 November 2013

INTRODUCTION

- 1.1** The Community Investment Programme (CIP) is the Council's response to the extensive cuts of government capital funding that continues to affect the Borough at a time when significant investment is required to improve the physical infrastructure of the Camden's schools, children's centres, community facilities and the Council's housing stock.
- 1.2** To achieve this, CIP is bringing together a range of work focussed on ensuring best use of the Council's property assets. The programme comprises 100+ projects that will either regenerate sites within the Borough or dispose of sites that are now surplus to requirements (subject to any necessary re-provision).
- 1.3** Delivering a programme of this magnitude requires the Council to make difficult choices with an overarching goal of ensuring Camden Plan priorities are achieved and balanced across the whole programme. This will include deciding whether limited resources are spent on investing in new and existing affordable housing, building new or refurbishing existing schools and community facilities or replacing and/or upgrading employment space. The most pressing issues are described below.
- 1.4** With over 25,000 residents on the Council housing waiting list CIP will make a vital contribution to the provision of affordable housing in the Borough. The programme is projected to deliver 1,100 new / replacement affordable homes by 2021/22. Around half of the homes to be built by the programme have now received Cabinet approval, with construction now taking place on several sites. Sales of the newly built flats at Chester Balmore started in October. Residents will start moving into their new Council homes early in the new year.
- 1.5** As set out above the capital generated from the programme will be reinvested across the Borough. Good progress has been made in the first two years of the programme with re-investing capital receipts generated through CIP. A children's centre and 29 schools across the Borough had improvements carried out or are still underway. This included works on heating systems, new windows and brickwork repairs. In total CIP aims to generate £117m to be re-invested in 53 schools and children's centres in the period up to 2016/17.
- 1.6** Similarly, CIP continues to enable the Council to invest significant resources to improve the condition of Council homes across the Borough through the Better Homes Programme.
- 1.7** CIP will have an impact on Camden wide employment space, either through upgrading, replacing or disposing of it. A good example is Agar

Grove Estate Regeneration, a proposal included in this report, where existing employment space will be upgraded and enlarged. Where replacement or disposal has been identified as the preferred options the Council offers businesses support with finding a suitable new space for their operations.

1.8 The Council continues its commitment to the development of the local economy and using its own activities to support its policies. Through its procurement process the Council works to ensure that its contractors are contractually bound to provide a range of employment initiatives, through:

- Direct recruitment of local residents;
- Modern apprenticeships and other training;
- Mentoring and work experience;
- Working with schools to promote opportunities in the construction industry.

1.9 The CIP is set to generate up to £1bn in local investment. In addition to the Council led regeneration projects, many of the sites the Council sells are also likely to be developed, thereby creating building projects and consequently creating jobs.

Content in this report

1.10 This particular report describes and seeks approval of a number of key CIP schemes. In summary these are:

- Highgate Newtown Community Centre in Highgate (sections 2 to 8) – a proposal to progress further design and consultation work to improve the existing community facilities;
- Edith Neville primary school and central Somers Town in St Pancras and Somers Town (sections 9 to 15) – a proposal to rebuild the existing school and deliver new housing and new community facilities;
- Kingsgate primary school expansion in West Hampstead (sections 16 to 22) – a proposal to expand the existing school onto an industrial site at Liddell Road and to deliver new housing and employment space linked to this development;
- Agar Grove Estate Regeneration in St Pancras and Somers Town (sections 23 to 29) – a regeneration scheme proposal for the estate;

- Gospel Oak Infill and Maitland Park in Gospel Oak (sections 30 to 36) – a proposal to deliver a number of small scale housing developments in the area;
- Bourne Estate Regeneration in Holborn and Covent Garden (sections 37 to 43) – a proposal of a changed business case for the development previously agreed by the Cabinet.

1.11 The projects included in this report will deliver over 400 new / replacement affordable homes and 420 new primary school places. The Council will also invest in nearly 1,000 sqm of community facilities by both upgrading and enlarging the existing space. Across the proposed regeneration schemes over 20,000 sqm of open space will be improved. This will include a comprehensive redevelopment and enhancement of the public space that currently is in poor state, often encouraging antisocial behaviours. This work will include providing a number of new and safe play areas as well as high quality areas for safe movement, recreation, and bio-diversity.

1.12 The proposals for Adelaide Road medical centre and Fellows Road Estate will now come forward for a decision in January 2014. A comprehensive series of consultation events have taken place over the past 18 months, through exhibitions, meeting with stakeholders and a programme of working groups. It has been agreed to provide more time for residents to respond to the scheme prior to the regeneration strategy being presented to the Cabinet. Additional consultation events are being arranged and residents are being informed of the extended response time.

1.13 The above projects represent in total the largest increase in the Capital Programme since February 2011. Programme implications and associated risks are described under the comments of the Director of Finance in section 45.

Links to Camden Plan Objectives

1.14 CIP will continue contributing to achieving Camden Plan objectives whilst also striving for balance across competing priorities. The proposed schemes in particular will contribute through the following:

- **Developing new solutions with partners to reduce inequality:** the proposed projects will help reduce inequality by better meeting the housing needs of Camden residents (current and future ones), tackling overcrowding, offering apprentice opportunities at the construction sites, improving existing and providing a new school and community facilities, improving access to sports facilities; help to

meet the authority's aim to have the best schools in the country within a decade.

- **Creating conditions for and harnessing the benefits of economic growth:** the proposed projects will create new jobs on the construction sites and create conditions for economic growth by increasing employment density and where feasible creating new and upgrading existing business and retail spaces;
- **Investing in our communities to ensure sustainable neighbourhoods:** the proposed projects will produce environmentally sustainable, future proofed and efficient buildings including Council homes and fit for purpose community spaces, creative and smart design will improve community safety and contribute to creating sustainable and balanced communities;
- **Delivering value for money services by getting it 'right first time':** the proposed projects, through their inclusive residents consultation and commitment to quality, will ensure that developed solutions deliver greater value for money for both residents and the Council.

Accommodation Strategy update

- 1.15** Another important investment programme delivering efficiencies to the Council and benefits to residents and local economy is the Council's Accommodation Strategy. Practical completion of the new King's Cross building at 5 Pancras Square is currently projected for summer 2014 enabling opening of the community facilities (new public swimming pools, community library and customer access centre) and phased occupation of the office areas soon after. Overall building progress since the start of the year has not kept pace with the planned programme. A recovery plan is in place which is currently showing approximately 5 weeks delay. This is being closely monitored with KCCLP as our development agent with a joint close out programme in development to ensure opening can take place in the anticipated timeframe. The financial impact affects the spend profile but not the total budget.
- 1.16** The new building has now achieved a BREEAM 'Outstanding' certification at design stage with a score of 93.05% which resulted in an award for one of the highest scores in the country. The building is the first of its kind to combine a swimming pool, leisure centre, library, customer access centre, café and office accommodation and still achieve such a high environmental rating.

- 1.17** The majority of the funding for the accommodation strategy comes from rationalisation and disposal of other buildings. Financial bids for three office buildings (Town Hall Extension, Bidborough House and 156 West End Lane) were received on 19 September. A strong response was received, however the bids will need to be analysed and tested including for deliverability. Final bids from a shortlist have been invited and it is anticipated that contracts will be exchanged in the spring, or earlier, 2014. Bids considered will be either on a conditional basis (subject to planning, for example) or an unconditional basis (not reliant upon the developer seeking a planning consent before the sale is completed). In all cases, it is anticipated that the transactions will be subject to the Council providing vacant possession.
- 1.18** The business case approved by the Cabinet in January 2012 indicated that the project would generate a net annual saving of £2.4m, paying back the initial revenue costs incurred during the implementation phase up to 2014/15 by mid-year 2019/20. Savings of £2.4m would then be available to contribute to the Medium term financial strategy from 2020/21 onwards. At present the projected savings are still within the business case assumptions and on track to be achieved. If, as is hoped, receipts from disposals exceed the business case estimated, then this would reduce borrowing costs and further increase the anticipated revenue savings.

HIGHGATE NEWTOWN COMMUNITY CENTRE

2. WHAT IS THIS SECTION OF THE REPORT ABOUT?

- 2.1** This section of the report is about the proposal to renew and improve community facilities at the Highgate Newtown Community Centre (HNCC) site.
- 2.2** It reports on the results of engagement so far and identifies the next steps required in order to develop a viable business case.

3. WHY IS THIS SECTION OF THE REPORT NECESSARY?

- 3.1** The HNCC site was originally purchased by the Council using central subsidy for the provision of general purpose housing. It was then used as a Territorial Army (TA) training base until the 1980's and since has been occupied by HNCC. The two flats on top of the TA premises became general housing and then subsequently Right to Buy (RTB) leasehold properties.

3.2 Currently the site is occupied by HNCC and Integrated Youth Support Services (IYSS)/Fresh Youth Academy, one of two key Council youth services hubs. In addition to the leasehold flats, the former HNCC caretaker occupies a cottage with his extended family. Most of the properties are in poor condition resulting in high maintenance and running costs and are not sustainable. The large hall has significant movement at one end which is also affecting the nursery building. See Appendix 2 for a map of the site.

4. OPTIONS

4.1 Initial high level analysis of options for the site has taken place. The repairing and upgrade only option would cost the Council in the region of £3M. A total redevelopment option would have resulted in significant disruption to services and is unlikely to be affordable. A part-redevelopment part-upgrade scheme could be delivered funded by the sale of private homes. This option may also generate a receipt toward the schools capital programme.

4.2 The proposal originally communicated in the July 2013 engagement material retained the main community centre building, the two leasehold flats above and all of the IYSS premises courtyards. However subsequent to this original outline scheme a number of factors are impacting on the brief.

4.3 HNCC has decided to close their nursery provision which was providing 28 early education places. It is a Council priority to meet the duty to ensure sufficient 15 hour per week free early education and childcare places for 3 and 4 year olds and disadvantaged 2 year olds. Discussions are taking place with HNCC on the use of a re-provided main hall to provide part-time nursery provision during school hours.

4.4 IYSS are planning growth at the HNCC site given there are services delivered at Crowndale that would not be appropriate at 5 Pancras Square. The Gospel Hall, one of the buildings used by IYSS, is not fully fit for purpose and accessible. The redevelopment provides the opportunity to replace all or part of the CSF accommodation.

4.5 The care taker and his family will be treated as a regeneration decant and covered by the Regeneration decant policy approved by Executive on 1st April 2009. Therefore this site is now available for redevelopment.

5. WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

5.1 There is a significant risk of future building failure on the site. A part-redevelopment of the site could deliver better use of the site, a sustainable model for community facilities whilst also addressing the high and increasing running costs for both the Council and the occupiers.

5.2 A feasibility budget is required in order to procure a multi-disciplinary team to fully investigate options for the how the project objectives can be achieved.

6. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

6.1 The risk of not addressing the issues with respect to the site is building failure. It is likely that the hall would have to be decommissioned and maintenance and running costs for the site as a whole would continue to rise.

6.2 Separating uses will be a key design challenge to ensure that neither the residential element nor service delivery is compromised.

6.3 CSF Integrated Early Years advise that they could offer support and advice to HNCC on establishing a new nursery provision at the site. However if a provider is not identified the main hall could be used for other purposes.

6.1 HNCC are one of 17 community centres in Camden which are independent organisations. Communities & Third Sector (C&TS) currently support them through grant funding and organisational development. Risk of organisational failure cannot be entirely mitigated however in such an event C&TS advise that they would consider how best this community facility could continue to be provided.

6.2 While elements of IYSS's work are non-statutory, the Youth Offending Service has a duty under Crime and Disorder Act, and the Education and Skills Act covers an element of Youth and Connexions work. IYSS advise that consolidating these teams at Fresh Youth Academy should deliver efficiencies to mitigate the impact of future reductions in funding. Improved facilities would also support income generation activities.

7. WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

- 7.1** Procurement of a multi-disciplinary team will be undertaken in January 2014, followed by development of options with key stakeholders, consultation with adjoining properties and the development of a business case.
- 7.2** The project will be monitored by the project board which has representatives from Communities & Third Sector, Integrated Early Years Integrated Youth Support Services, Legal, Procurement, Finance, Property Services, Housing Regeneration and Libraries. The project board meets quarterly or more frequently as required.
- 7.3** The project team will continue to meet monthly with the HNCC working group. HNCC and FYA representatives will take part in the design team procurement and subsequent development of options.

8. CONSULTATION

- 8.1** During July – September 2013 community outreach work was undertaken to engage and inform service-users, secure tenants, residents and community groups about the broad proposals. This involved the distribution of 3,000 information leaflets, three public drop-in sessions and attendance at HNCC user group sessions. See Appendix 3 for a summary of the feedback.
- 8.2** The feasibility will seek to reflect the feedback from the consultation in delivering an affordable proposal that satisfies the objectives set out above at no cost to the rate payer.
- 8.3** An early Equality Impact Assessment (EIA) indicates the provision and sustainability of community facilities such as HNCC and FYA will have a positive impact on protected groups in terms of their health and well-being, quality of life and potential for growth. See Appendix 4 for the EIA .
- 8.4** Consultation with adjoining neighbours and services occupiers will take place throughout the proposal development. The community centre and Fresh Youth Academy will co-ordinate consultation with their respective stakeholders to inform this process.
- 8.5** Consultation will be undertaken with the wider community as appropriate once a viable option/s which achieves the objectives has been identified.

RECOMMENDATIONS

The Cabinet is asked to:

- a. Agree to draw £200,000 from corporate capital resources in order to procure and engage a multi-disciplinary team up to planning application submission;
- b. Agree that officers will report to the Cabinet prior to planning submission with the business case for option/s and respective report on consultation.

APPENDICES

Appendix 2 Map

Appendix 3 Community Engagement

Appendix 4 Equality Impact Assessment

EDITH NEVILLE SCHOOL AND CENTRAL SOMERS TOWN

9. WHAT IS THIS SECTION OF THE REPORT ABOUT?

9.1 This section of the report presents a regeneration strategy to rebuild Edith Neville primary school and transform central Somers Town. The section describes what the project is intended to achieve and envisaged means of delivery.

9.2 The area referred to in this report as central Somers Town comprises three adjacent sites and the network of paths and streets that join them. The three sites are: the site of the Edith Neville primary school and children's centre; Polygon Road open space; and Purchase Street open space. The plan in Appendix 5 shows these areas.

10. WHY IS THIS SECTION OF THE REPORT NECESSARY?

10.1 The poor condition of the buildings at Edith Neville primary school has been a problem for some time. Approval of the recommended regeneration strategy for central Somers Town would deliver new school buildings with a target opening date of September 2016.

10.2 In September 2012 Cabinet agreed that community engagement on the Somers Town strategy and heart of Somers Town project should take place in early 2013. Consultation on the Somers Town priorities including an introduction to key projects took place in March 2013. These are set out in Appendix 6. The rebuilding of Edith Neville primary school is one of these key projects and further consultations on this key

project took place in summer 2013. The outcomes of these consultations are set out in this report.

11. OPTIONS

- 11.1** The options for the regeneration strategy have been the subject of two phases of consultation.
- 11.2** In the first phase of consultation five design ideas for change were presented to the community. These ideas described alternative locations for the new school buildings, new housing and community facilities with the central Somers Town area. The public open spaces were arranged differently in each proposal, although in each option the total area of public open space was the same. Analysis of the responses suggested a very clear way forward and therefore the second consultation was based on a single regeneration strategy.
- 11.3** The regeneration strategy would deliver significant improvements to the public realm; build a new school, nursery and community play facilities, together with new affordable housing and housing for sale. A key objective for the regeneration strategy is to provide a self-funding scheme where all receipts generated from the sale of the housing land will be reinvested in central Somers Town.
- 11.4** The scheme would enable the relocation of Edith Neville primary school and children centre to new buildings on the east side of the school site on Purchase Street. The community play facility and St Aloysius nursery class would be relocated to new facilities close to a new tenants hall to the north of Purchase Street open space. Three new housing blocks would be constructed with a mixture of private housing and social housing generating a capital receipt for investment in the development. The open spaces on Polygon Road and Purchase Street would be re organised and refurbished with no overall loss of public open space.
- 11.5** The regeneration strategy proposes closing part of Polygon Road beside the park from Charlton Street to Ossulston Street to motor vehicles and relocating residents parking into underused parking spaces nearby. A route for pedestrian, cycle and emergency services would be maintained along this road. If Cabinet agree this proposal to extend the park onto part of the carriageway then there would be statutory consultation on a stopping up order of the highway.
- 11.6** The regeneration strategy also includes a proposal to increase public space by realigning the cycle route from Purchase Street onto

EDITH NEVILLE SCHOOL AND CENTRAL SOMERS TOWN

Charrington Street. Straightening this route improves it by removing the blind bends, encouraging cyclists away from the entrance to Edith Neville primary school and better serves Regents High school.

- 11.7** St Aloysius nursery is currently located in temporary accommodation on the Regent High school site. Relocating the nursery would both enable the works at the Regent High school to be completed and secure a permanent home for the nursery within central Somers Town.
- 11.8** The community play facility on Polygon Road open space has been seeking ways to fund improvements to their building and outside space. Relocation would provide them with a new facility with a larger internal area and a high quality external area that could support a wide variety of activities for young people including a specialist multi-use games area with floodlighting for evening use.
- 11.9** The minimum number of new homes proposed are 92 new homes including 24 affordable housing units.

Table 1: summary of proposals

CENTRAL SOMERS TOWN	New development
Total number of new homes	92
Number of social rented Bedrooms / Bedspaces Floorspace	24 units 78 (bedspaces) 1727 sqm
Number of private sale Bedspaces Floorspace	68 units 236 (bedspaces) 4898 sqm
Total area of education and community space	Re-provision
Community space	150 sqm
Community play facilities	276 sqm
Nursery	133 sqm
Primary school and children's centre	2120 sqm

- 11.10** The regeneration strategy plan for central Somers Town is described further in Appendix 5.

Implementation strategy

- 11.11** The envisaged approach is to use capital receipts from disposal of the housing plots to fund the Council to develop the new school buildings, the community facilities and the refurbishment of the two public open spaces, together with improvements to the streetscape.
- 11.12** Several development approaches have been evaluated. The option for the Council to develop some or all of the housing plots itself has been considered. However, to minimise the Council's risk of exposure to

EDITH NEVILLE SCHOOL AND CENTRAL SOMERS TOWN

fluctuations of the private property market and reduce the requirement for prudential borrowing across the capital programme the option of Council as developer of private housing for sale has been discounted for this scheme.

11.13 The potential to procure a developer to deliver the whole scheme from the outset has also been considered. This approach would transfer all development and construction risks to a third party. However, this would also hand over control of the design and programme for the development. This reduces the opportunities for community participation in the development of the design and introduces the risk of delay to implementing the regeneration strategy while the detailed terms of the development agreement are negotiated.

11.14 The envisaged means of delivering the proposed development is set out below:

- The Council appoints design consultants to progress the design development and planning permissions for the whole scheme.
- The plots on Brill Place, Charrington Street and Polygon Road are sold for private and affordable housing development in accordance with the approved plans;
- The Council procure separate design teams and building contractors to build new buildings for Edith Neville primary school, the community facilities and landscaping works to the public realm;

11.15 In order to progress the necessary planning applications to meet the target date for the school opening, it is proposed that the Council appoints three design teams, a landscape architect and a master planner via notices in the European Journal (OJEU) in accordance with EU legislation and decisions on the contract award strategy and terms for disposal of the housing land are delegated to directors as set out in the recommendations.

11.16 The options to procure a contractor for the school and community buildings are either through direct OJEU advert or a suitable framework agreement.

11.17 A financial summary for the regeneration strategy is provided at the confidential Part II Appendix. The budget for Council expenditure is £19 million to deliver the school, community facilities and improvements to the public open space. This expenditure is matched by anticipated capital receipts from the sale of the housing land.

12. WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

- 12.1** Members are asked to approve the regeneration strategy in section 11 and agree the implementation of the scheme within the framework of delegations outlined in the recommendations.
- 12.2** Detailed design development combined with housing price inflation also has potential to increase the private housing land value during the next phase. Should this be the case and further investment in central Somers Town becomes possible, then the priority will be to increase the number of affordable homes.
- 12.3** Therefore, Cabinet is asked to agree that directors should also be given authority to approve minor amendments to the regeneration strategy to allow increased investment in affordable housing and a lowering of carbon emissions should this become possible through increases in the value of private housing disposals.

13. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

Education considerations

- 13.1** The risk of delays to this project or not proceeding with the rebuilding of the school is that the deteriorating quality of the school environment has an impact on the standards of teaching and learning at the school.

Planning considerations

- 13.2** There are planning considerations particularly in relation to open space, building height and affordable housing that will shape the project as it moves forward. It would be essential that the overall development proposal for the area is made clear either by the submission of a single planning application or simultaneous applications covering the whole central Somers Town site. This would be important in justifying the approach to affordable housing.
- 13.3** In the proposed regeneration strategy the boundaries of public open space in the area change. However, careful consideration would continue to be given to ensuring there is no loss of public open space and the quality of existing public open space is improved as a direct result of the project.
- 13.4** The majority of the indicative heights proposed for the new housing designs are set within the Somers Town context of buildings up to six

stories. The exception is the proposed residential block on the corner of Brill Place and Purchase Street. The maximum height proposed here would be no higher than the emerging Francis Crick Institute.

Consultation considerations

13.5 The development of the central Somers Town regeneration strategy has been led by extensive consultation with local residents and stakeholders who would be significantly impacted by these proposals. The responses to recent consultation are summarised in section 15. It is recognised that not everyone within the area agrees with the proposed regeneration strategy. Continued community participation in the development of the design and continuing discussion with service providers about the specific configuration of the new facilities would be critical to address concerns and enrol support for this approach to transformation of the area.

14. WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

14.1 The next steps are to appoint a master planner and design teams to develop detailed plans that respond to the outcomes of the consultation reported in section 15. Particular attention would be given to the arrangement of buildings around Purchase Street open space to address concerns about community safety and amenity to ensure sustainable management of the community facility to the north of Purchase Street open space.

14.2 If agreed by Members, officers would commence consultation on the proposal to close part of Polygon Road to vehicles between Charlton Street and Charrington Street.

14.3 Department for Education in the Land Transfer Advice April 2013 states that under the Educations Acts, the Local Authority requires the consent of the Secretary of State to dispose of any interest in land. It is proposed that officers will seek the necessary consent at an early opportunity and the Cabinet is asked to agree that delegated approval is given to the Director of Children Schools and Families to obtain the necessary consents.

14.4 It is proposed to undertake feasibility work and consultation with residents in 2014 on other key projects at Goldington Estate, Godwin and Crowndale Estate and Churchway Estate. These estates have the potential to deliver around 150 new mixed tenure homes including affordable housing. The priority will be affordable housing.

EDITH NEVILLE SCHOOL AND CENTRAL SOMERS TOWN

14.5 The target date for the school to open is September 2016. An indicative programme to meet this date is set out below.

Indicative timetable	
Complete procurement of design teams	April-14
Formal consultation on closure of a section of Polygon Road	Mar-14
Commence procurement of a contractor for the school and community buildings	Jun-14
Submit planning application	Nov-14
Planning decision	Feb-15
Confirm disposal strategy for housing land on Brill Place	May-15
Start construction of school and community facilities	May-15
Completion of school and community facilities	Sep-16
Confirm disposal strategy for housing land on Polygon Road open space and Charrington Street school site	Sep-16
Commence works to public realm	Sep-16
Completion of public realm works	Summer 2018

14.6 The overall progress of the scheme would continue to be monitored through the Project Board and CIP governance procedures. The project's financial position would be reviewed at key milestones to ensure delivery of project objectives.

15. CONSULTATION

15.1 The consultation on the central Somers Town regeneration strategy ended on 18 October 2013. Over 250 people attended face to face consultation events; 131 completed the consultation questionnaire; in all almost 450 written comments were received. Face to face discussions were held with key stakeholders to identify and address their issues and concerns; and written responses were received from:

- The governing body of Edith Neville primary school and children's centre;
- St Aloysius Catholic Infant school;
- Coopers Lane Estate residents;
- Somers Town Neighbourhood Planning Forum

15.2 From the comments received it is clear there are a range of strongly held views about the proposals, both positive and negative. There was general support for the proposal to rebuild Edith Neville primary school,

EDITH NEVILLE SCHOOL AND CENTRAL SOMERS TOWN

with 51% of respondents agreeing or strongly agreeing. The provision of a wide range of community facilities and the arrangement of Polygon Road open space around a new square was positive (43%). It is also clear that Somers Town residents are anxious about the level of disruption and change that the scheme would bring while others are excited about what they see as much needed investment in upgrading facilities in the area.

- 15.3** In response to the consultation the Somers Town Neighbourhood Planning Forum has submitted the 'People's Plan' for Somers Town. The lack of any affordable housing in their current proposal means that the plan does not deliver on one of the key Somers Town priorities within the timescales of the project. Furthermore, in the first stage consultation, housing above the school was not strongly supported because it would remove the possibility for external play space on the roof and the potential to create new school places in the future. Council officers will continue to work closely with and provide support to the Neighbourhood Planning Forum.
- 15.4** In response to the consultation, subject to approval of the regeneration strategy, during the next phase of design development officers will work closely with all stakeholders and the community as this project is taken forward. An extended summary and discussion of the consultation responses is provided at Appendix 7.
- 15.5** An Equality Impact Assessment on the proposals is attached at Appendix 8. This assessment finds that the regeneration of central Somers Town will result in positive impacts across groups with protected characteristics and will directly benefit pupils, parents/carers and staff of the school and nursery, users and staff of the community play facility and residents in Somers Town and St Pancras. No potential unlawful discrimination and no disproportionate negative impacts on protected groups have been identified as a result of the proposed activity

RECOMMENDATIONS

The Cabinet is asked to:

- a. Note the Somers Town priorities described in Appendix 6;
- b. Agree the regeneration strategy for central Somers Town as set out in section 11 above and in Appendix 5;
- c. Delegate to the Director of Children Schools and Families in consultation with the Director of Finance, the Borough Solicitor and the Director of Culture and Environment the power to take all steps

EDITH NEVILLE SCHOOL AND CENTRAL SOMERS TOWN

necessary to implement the scheme in accordance with the Somers Town priorities and the regeneration strategy, this to include the submission of a planning application;

- i.** Agree that the project be implemented in accordance with the specific delegations approved as part of the July 2012 CIP Cabinet report (CENV/2012/25), which are included at Appendix 1, to the relevant service director (as specified below) in consultation with the Director of Finance;
 - ii.** Agree the terms of and implement and complete disposals of property associated with this scheme in consultation with the Cabinet Member for Resources the Director of Children Schools and Families, the Head of Property Services and the Borough Solicitor;
 - iii.** Agree terms for obtaining vacant possession of commercial property affected by this scheme in consultation with the Cabinet Member for Resources the Director of Children Schools and Families, the Head of Property Services and the Borough Solicitor;
 - iv.** Agree contract award strategies and contract awards for the implementation of this scheme in consultation with the Cabinet Member for Resources, the Director of Children Schools and Families, the Head of Property Services and the Borough Solicitor;
 - v.** Appropriate existing Council land under relevant powers as necessary to enable the implementation of the scheme in consultation with the Cabinet Member for Resources, the Head of Property Services, the Director of Children Schools and Families and the Borough Solicitor;
- d.** Delegate to the Director of Finance the option to undertake prudential borrowing to support the capital funding requirements of the scheme if required;
 - e.** Agree that, in order to increase the benefits offered by the scheme or to comply with planning or other requirements there may be minor amendments to the proposed scheme and expenditure budget and delegate authority to the Director of Finance to approve such amendments in consultation with the Director of Children Schools and Families, the Director of Culture and Environment, the Director of Housing and Adult Social Care and the Borough Solicitor.

APPENDICES

Appendix 5 Regeneration strategy plan for central Somers Town

Appendix 6 Somers Town priorities

Appendix 7 Feedback from the consultation

Appendix 8 Equality Impact Assessment

Financial summary in Part II Appendix

KINGSGATE PRIMARY SCHOOL EXPANSION

16. WHAT IS THIS SECTION OF THE REPORT ABOUT?

16.1 This section presents a strategy to expand Kingsgate primary school and provide accommodation for 420 additional primary school places as part of a mixed-used redevelopment of the site at 1-33 Liddell Road, NW6. This section of the report describes what the project is intended to achieve and envisaged means of delivery.

16.2 The section also presents the results of recent public consultation on the proposal to expand Kingsgate primary school undertaken as part of a statutory school organisation process.

17. WHY IS THIS SECTION OF THE REPORT NECESSARY?

17.1 In July 2012, Cabinet agreed that officers should develop proposals to expand Kingsgate primary school across two sites and create 420 new primary school places in order that the authority can meet its statutory duty to ensure there are sufficient primary school places in the north west of the borough. A feasibility study was commissioned to appraise options for a viable regeneration strategy and how it might be delivered at Liddell Road. Cabinet approval is sought to implement the recommended strategy with a target to open the new school buildings in September 2016.

17.2 The proposed expansion of Kingsgate primary school has required the authority to start the statutory proposals process in line with The School Organisation (Prescribed Alterations to Maintained Schools)(England) Regulations 2007 as amended. This report asks the Cabinet to consider the responses received and decide whether officers can move to the next stage of the process and publish a statutory notice about the proposal.

18. OPTIONS

18.1 In addition to providing new school places, the objectives for the proposed redevelopment of Liddell Road are to maximise the community and employment benefits and optimise the value delivered from the scheme. In particular:

- The Liddell Road site is an important employment location, and redevelopment would provide an opportunity to create new higher employment density use, and increase employment opportunities;

KINGSGATE PRIMARY SCHOOL EXPANSION

- The capital programme redevelopment requires the site needs to be self-funding through capital receipts from new housing within the development and for it to generate a positive surplus of £3 million to reinvest in other CIP school projects.

18.2 The envisaged scheme outputs are summarised in the following table:

LIDDELL ROAD	New development
Total number of new homes	120
Number of units for private sale	120 units
Bedspaces	425
Floorspace	9600 sqm
Total employment and education space	
Employment space	2426 sqm
Education space	2150 sqm

18.3 A number of options have been explored for the optimal arrangement for the site. Key considerations were the location and balance of space for school, employment space and housing units. Permeability and routes through the site have also been considered. The challenge was to increase permeability of the site by opening the route from Maygrove Peace Park along Liddell Road to Maygrove Road whilst locating the school close to the park.

18.4 In addition to private housing for sale, the potential for the scheme to include a small number of affordable housing units for people with physical disabilities would be appraised as design is developed. A strategic plan for the proposed scheme is shown at Appendix 9.

School buildings

18.5 Currently, Kingsgate primary school admits 60 pupils, in two forms of entry, per year group (420 pupils in total). The proposal is to expand the school to four forms of entry (120 pupils per year group) across both the existing site and new site at Liddell Road NW6. This would create 420 new primary school places. The school would have separate infants' (3-7 years) and juniors' (7-11 years) building. The existing site and buildings are better suited to meet the teaching and learning needs of the older children. The infants could be better served through new buildings with larger classrooms and direct access to outdoor space.

18.6 The infants' and nursery provision would move to new school buildings at Liddell Road designed in line with government guidelines. The existing school buildings would be re-modelled to provide modern and flexible learning spaces for the junior children. This would create places for four classes of children in each year group:

- Up to 480 seven to eleven year-olds would be taught on the existing Kingsgate Road site;
- Up to 412 three to seven year-olds would be accommodated at the Liddell Road development.

Employment space

- 18.7** An option appraisal has been commissioned to test the viability of the proposed employment space. The appraisal concluded that the proposed new employment space could make a positive contribution to the number of jobs in economic growth sectors within the area. The report confirmed there is strong demand for commercial space and in particular for managed work space in the West Hampstead area. Managed workspace provides self-contained commercial space with support services that may include for example, a reception function, meeting rooms and café.
- 18.8** There are 33 commercial units on Liddell Road employing an estimated 80 people. The redevelopment proposal includes new employment space with the potential to create up to 100 jobs if used for managed workspace, in addition to the 40 new jobs at the new school buildings. The number of jobs created will depend on the particular type of business the employment space is used for.

Sustainability standards

- 18.9** The minimum target standard proposed for the new school buildings is BREEAM Excellent. The strategy for reducing carbon emissions could include provision of a combined heat and power plant that would serve the new education facilities and housing together with up to 750m² of solar panels. This would support the delivery of a low carbon school.
- 18.10** The development would be car free with the exception of a small number of disabled car parking spaces and essential car user spaces for the school.

Implementation strategy

- 18.11** In order to meet the target to open the school buildings for September 2016 the envisaged development approach is for the Council to submit a planning application for the whole scheme and to dispose of the housing and employment land to a private developer while the Council develops the school buildings. The option for the Council to develop the housing itself has been considered. However, to minimise the Council's risk of exposure to fluctuations of the private property market and reduce the requirement for prudential borrowing across the capital

programme the option of Council as developer of private housing for sale has been discounted for this scheme.

- 18.12** The potential to procure a developer to deliver the whole scheme from the outset has also been considered. This approach would transfer all development and construction risks to a third party. However, this would also hand over control of the design and programme for the development. This introduces the risk of delay to implementing the regeneration strategy while the detailed terms of the development agreement are negotiated.
- 18.13** In order to progress the planning application to meet the target date for the school opening, it is proposed that a multi-disciplinary design team is appointed as soon as possible and decisions on the contract award strategy and disposal of the employment and housing land are delegated to directors as set out in the recommendations.
- 18.14** The appointment of a multi-disciplinary design team would be via a notice in the European Journal (OJEU) in accordance with EU legislation with other client representatives procured via an appropriate framework agreement. The options to procure a contractor for the school building are either through a further OJEU notice or a suitable framework agreement.
- 18.15** A financial summary based on the scheme outputs described in section 18.2 and the development approach envisaged in section 18.11 is provided at the confidential Part II Appendix to demonstrate that the scheme can be self-funding and deliver all the benefits outlined in this section with a total cost of £13.4m. This includes payment of compensation to existing tenants at Liddell Road and the remodelling of the infants buildings at the current Kingsgate road site. It has already been agreed that £3m of the surplus capital receipts will be re-invested in the CIP schools programme.

19. WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

- 19.1** Cabinet is asked to approve the regeneration strategy set out in section 18 and agree to the implementation of the scheme within the framework of delegations outlined in the recommendations.
- 19.2** In the next phase of the project, detailed design development combined with housing price inflation could increase the private housing land value. This would offer the potential to vary the balance of housing and employment elements within the development and increase the overall area of employment space and new employment opportunities. Cabinet

is asked to agree that directors should also be given authority to approve minor amendments to the regeneration strategy to allow increased investment in employment space should this be justified by increases to the private housing land value.

20. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

20.1 The education risk of not carrying out this proposal or delay in the delivery of the proposed strategy for expanding Kingsgate primary school is that the authority would fail to meet its obligation to provide sufficient school places within the borough in September 2016.

Planning considerations

20.2 There are three key areas of planning consideration - relating to the details of the housing design, re-provision of employment space and affordable housing - would need to be worked through carefully with the planning authority.

20.3 To help address these considerations, during design development the details of the proposal would be refined to optimise the layout of the site, and enhance access, permeability and the quality of the environment. This would include a detailed assessment of the building heights. Acceptable building heights would have to be justified via detailed design and townscape analysis.

20.4 The Council recognises the importance of employment provision in the borough and both the Camden Plan and our planning policies seek to secure a strong and vibrant economy within Camden. The provision of employment floor space would need to be carefully considered alongside the provision of new school places in the West Hampstead area. The employment space must demonstrate that it would support sustainable new jobs in West Hampstead.

20.5 A scheme comprising over 50 residential units would normally be expected to provide 50% affordable housing. Given the benefits and costs of developing the new school facilities and the provision of employment space this level of affordable housing is not considered viable. The Liddell Road scheme could provide a small number of affordable housing units for people with physical disabilities. There are other schemes in NW6 where it is envisaged more affordable housing will be provided. For example, bidders for a Council site at 156 West End Lane have been asked to provide financial offers meeting the Council's planning policy compliant criteria for the provision of affordable housing on residential schemes.

Programme delays

- 20.6 The target date for opening the new school buildings is September 2016 and the delivery programme is tight with no contingency for unanticipated delays. The aim is to submit a planning application in summer 2014 and commence construction early in 2015.
- 20.7 Liddell Road is subject to a number of commercial leases which will have to be terminated in accordance with the Landlord and Tenant Act 1954 before works may commence. Termination notices were served at an appropriate stage in order to allow sufficient time for the legal process to be followed. The serving of the termination notices by the Council is important in controlling the risk of delay to the opening of the new school buildings by September 2016.
- 20.8 Simultaneously, officers have commenced negotiations with the tenants and where possible will assist in identifying alternative accommodation. Those tenants with leases protected by the Landlord and Tenant Act 1954 which are successfully terminated by the Council will be able to claim statutory compensation for disturbance to their business. This is in accordance with the report to Cabinet in July 2012 and a budget for compensation payments is included within the financial summary in Part II Appendix.

Consultation considerations

- 20.9 Further objections to the proposal may arise through the representation period of the statutory proposals process covering the school expansion. Any objections received would be fully considered by officers and a response would be included in the report outlining representation responses so this can be fully taken into account as part of the decision making process.

21. WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

- 21.1 The target date for the school to open is September 2016. The next step is to appoint a multi-disciplinary design team to progress design development and planning application. An indicative programme to meet this date is set out below.

Indicative timetable	
Statutory Notice on decision to expand	Jan-14
Complete procurement of design team	Feb-14
Commence procurement of a contractor	Mar-14
Confirm decision to expand Kingsgate	Mar-14

KINGSGATE PRIMARY SCHOOL EXPANSION

primary school	
Submit planning application	Jul-14
Planning decision	Nov-14
Vacant possession of site	Dec-14
Confirm disposal strategy for housing and employment land	Jan-15
Start construction of the school	Jan-15
Completion of school	Sep-16

21.2 The overall progress of the scheme would continue to be monitored through the Project Board and CIP governance procedures. The project's financial position would be reviewed at key milestones to ensure delivery of project objectives.

22. CONSULTATION

22.1 The results of the statutory consultation period are set out in Appendix 10 to this report. 70 people attended the open consultation events in September, and 77 submitted a consultation response. Local community organisations and ward Councillors sent in considered responses to the proposals. In summary, more people are in favour of the expansion than are against it. 48% of respondents, including most parents, were in favour of expanding Kingsgate and 41% are against it. Those against included a number of responses from businesses who would lose their premises if the proposal goes ahead.

22.2 A range of issues were raised in the consultation and these are reviewed and addressed in detail in Appendix 10. Overall, 52% of respondents were in favour of redeveloping Liddell Road. Two key statutory consultees, Barnet Council and the London Diocesan Board, responded in favour of the proposals.

22.3 Ward Councillors for West Hampstead and Fortune Green are in favour of creating more primary school places locally, but are against the proposals to expand Kingsgate primary school, preferring the creation of a new academy or free school.

22.4 Having identified the need for new primary school places in the north west of the borough, government guidance states that the local authority is responsible for providing the site for and meeting all costs associated with the development. There is also a presumption in government guidance in favour of the expansion of popular and successful schools, such as Kingsgate primary school. Officers have taken Counsel's opinion to ensure that the Council is acting appropriately and the advice is supportive of the approach that the Council is taking in this project.

- 22.5** Having considered the consultation responses, Members are now asked to agree whether to proceed to the next stage of the process and publish a statutory notice regarding the proposal to expand Kingsgate primary school. If Cabinet agrees, then a statutory notice could be published early in 2014 and there would then follow a required representation period of 4 weeks. A draft statutory notice is set out in Appendix 11. The Constitution provides that the Cabinet is responsible for making decision in respect of statutory proposals. It is recommended that responsibility for considering the representations is delegated to the Director of Children Schools and Families and the Cabinet Member and having considered the responses should decide whether to approve, reject, approve with minor modification or grant conditional approval to the proposal (subject to planning permission and site acquisition).
- 22.6** An Equality Impact Assessment on the proposal to expand the school and dispose of land at Liddell Road has been carried out and is attached at Appendix 12. The provision of extra school places has the potential to advance equality and foster good relations by providing an additional 420 permanent places at a highly popular school. Conversely, if the new places are not created, this may result in a negative impact on the protected groups as there would not be sufficient places to serve the demand and needs of children and parents in the diverse local community. No potential unlawful discrimination and no disproportionate negative impacts on protected groups have been identified as a result of the proposed activity.

RECOMMENDATIONS

The Cabinet is asked to:

- a.** Consider the consultation responses set out in section 22 and Appendix 10 and agree that officers should proceed to the next stage of the statutory proposals process and publish a statutory notice regarding the expansion of Kingsgate primary school;
- b.** Delegate authority to the Director of Children, Schools and Families, in consultation with the Cabinet Member for Children, to consider the results of the representation stage of the statutory process and decide whether to give conditional approval to the expansion of Kingsgate primary school;
- c.** Agree the regeneration strategy for Liddell Road as set out in Section 18 and Appendix 9;
- d.** Delegate to the Director of Children Schools and Families in consultation with the Director of Finance the Borough Solicitor and the Director of Culture and Environment the power to take all steps

KINGSGATE PRIMARY SCHOOL EXPANSION

necessary to implement the scheme in accordance with the regeneration strategy this to include the submission of a planning application

- i. Agree that the project be implemented in accordance with the specific delegations approved as part of the July 2012 CIP Cabinet report (CENV/2012/25), which are included at Appendix 1, to the relevant Service Director (as specified below) in consultation with the Director of Finance:
- ii. Agree the terms of and implement and complete disposals of property associated with this scheme in consultation with the Cabinet Member for Resources, the Director of Children Schools and Families, the Head of Property Services and the Borough Solicitor;
- iii. Agree terms for obtaining vacant possession of commercial property affected by this scheme in consultation with the Cabinet Member for Resources the Director of Children Schools and Families, the Head of Property Services and the Borough Solicitor;
- iv. Agree contract award strategies and contract awards for the implementation of this scheme in consultation with the Cabinet Member for Resources , the Director of Children Schools and Families, the Head of Property Services and the Borough Solicitor;
- v. Appropriate existing Council land under relevant powers as necessary to enable the implementation of the scheme in consultation with the Cabinet Member for Resources, the Head of Property Services, the Director of Children Schools and Families and the Borough Solicitor; with the Cabinet Member for Resources;
- e. Delegate to the Director of Finance the option to undertake prudential borrowing to support the capital funding requirements of the scheme if required;
- f. Agree that, in order to increase the benefits offered by the scheme or to comply with planning or other requirements there may be minor amendments to the proposed scheme and expenditure budget and delegate authority to the Director of Finance to approve such amendments in consultation with the Director of Children Schools and Families, Director of Culture and Environment, Director of Housing and Adult Social Care and the Borough Solicitor.

APPENDICES

Appendix 9 Liddell Road regeneration strategy plan

Appendix 10 Consultation responses

Appendix 11 Draft statutory notice

Appendix 12 Equality Impact Assessment

Financial summary in Part II Appendix

AGAR GROVE ESTATE REGENERATION

23. WHAT IS THIS SECTION OF THE REPORT ABOUT?

23.1 This section of the report is about proposals to demolish 112 low rise dwellings on the estate and to empty and strip-out 137 existing properties in Lulworth, an 18 storey tower block. All 249 existing homes on the estate have very significant investment needs. In their place 513 new homes will be created to much higher standards of design, space and environmental sustainability as well as an increase in community and commercial space. The project includes a single decant for most existing tenants.

24. WHY IS THIS SECTION OF THE REPORT NECESSARY?

24.1 Agar Grove estate was included in the CIP programme in July 2011 (CENV/2011/45) as a site with potential for development and one with investment needs. Following positive initial consultation with residents in March and June 2012 more detailed proposals were formulated culminating in a development proposal which will transform the 1960's estate and make a major, and very visible, improvement to the architecture and landscape of Agar Grove. The proposals have been developed in close consultation with residents there has been consistently high support amongst residents and the wider community.

24.2 If approved, the Agar Grove proposals will be the largest CIP investment programme, creating 264 new homes and replacing 249 existing homes which have very significant investment needs. The proposals will also radically change the landscape of the estate and its relationship with the surrounding area, reinstating a traditional street pattern, community spaces and gardens.

24.3 The project will also deliver highly sustainable dwellings which substantially reduce heating costs for residents improving long term maintenance and management of building services. This is achieved by using a 'passivhaus' approach to design and exceeding current building requirements for insulation, windows and ventilation.

Table 1: Existing and new provision

AGAR GROVE ESTATE – RIBA STAGE C	Existing estate	New development
Total number of new homes	249	513
Number of social rented Bedrooms / Bedspaces Floorspace	210 units 446 (bedrooms) 8,032sqm	217 units 799 (bedspaces) 21,547sqm
Number of shared ownership Bedrooms / Bedspaces	0 units 0 (bedrooms)	38 units 145 (bedspaces)

AGAR GROVE ESTATE REGENERATION

Floorspace	0sqm	3,206sqm
Number of private sale Bedrooms / Bedspaces	39 units 102 (bedrooms)	258 units 763 (bedspaces)
Floorspace	1,417sqm	23,018sqm
Commercial space (A1, A3, B1 & Concierge)	134sqm	777.9sqm
Community space (D Class)	70sqm	291.1sqm

24.4 The existing homes are much smaller than the current space standards for new homes and as a result the new development, which does meet the current space standards, produces a very large increase in floor space for Council rented accommodation without producing a large increase in the numbers of Council rented units. An existing three bed property for example, is 8sqm smaller than proposed new two bed properties. So while the new investment will not create many new Council rented homes it will create a major improvement to the quality of life for existing residents who currently occupy properties amongst the smallest in the borough. Overall the development, if approved, will provide almost 3 times more Council rented floor space in addition to 38 new shared ownership properties.

24.5 The design rationale for the development is to create a network of small streets and squares. The design maximises the number of homes with doors directly onto the new streets and the number of homes sharing lifts and stairs is minimised, so that residents have a better sense of who their neighbours are. The building designs and finishes are not uniform and are intended to harmonise with each other whilst creating a degree of individuality and a more stimulating streetscape than the current blocks which have largely uniform concrete finishes. The material quality of the exterior of the buildings will be high, surrounding carefully designed public space that favours pedestrians, creates play space for children and provides ecological habitat.

24.6 Internally, the new homes will be much more spacious, and have high ceilings, space to dry clothes and well-proportioned private balconies that are sheltered and can act as 'outdoor rooms'. An important design principle is to elevate bedrooms above ground floor level, so at the ground floor level there will be maisonettes with a kitchen window that supervises the street and living areas that look over private or communal gardens. Appendix 13 includes images of what the new development could look like

24.7 The development proposals are designed to be delivered in sections with the aim of minimising disruption to existing residents and providing all existing tenants with a new home on the estate. The first section of development will require four existing households to move either

permanently or temporarily to allow the first phase of works to begin. Officers will endeavour to provide alternative accommodation either on the estate or elsewhere for the tenant and freeholders who live in these properties, according to their preference in so far as that can reasonably be met, and in line with policies for the welfare of tenants and resident leaseholders/freeholders who are affected by development proposals.

- 24.8** All current tenants will have opportunities to move to new homes on the estate and the works are phased to ensure most residents only have to move home once.

25. OPTIONS

- 25.1** A number of options for delivery of the proposed development have been tested for viability by EC Harris and the financial modelling prepared for the recommended approach has been audited by Grant Thornton, who are a leading accountancy and audit firm in this area. The basic options considered were i) Council as developer, ii) a joint venture with a development partner and iii) land sale. Part II Appendix sets out more details of the options appraisal work in tabular form. The full details of the estimated acquisition, development, construction, and sales prices are commercially sensitive and therefore included in the Part II Appendix.
- 25.2** Based on the design information available at the time of writing, the Council as developer option shows a positive surplus of £13m whilst delivering the Council housing set out in table 1 above. The cost of delivery is estimated at £143m across phases. As the Council is the landowner and has low finance costs, this option will always test favourably in terms of return on investment for the Council and this is the funding and delivery basis of a number of CIP projects. This approach does however mean that Camden assumes all of the market risks associated with the development in order to maximise the benefit to Camden.
- 25.3** The other options for delivery, using a development partner to part fund the project or selling plots of land within the development both make losses to the Council based on current market conditions. The recommendation therefore includes delivering Phase 1 as Council as developer, and delaying the decision on how to deliver Phase 2 until Spring 2016 at which time the delivery strategy can respond to the wider programme context and take account of sales market performance and funding availability. There are opportunities to deliver Phase 2 as Council as developer, joint venture or land sale as well as a

AGAR GROVE ESTATE REGENERATION

mixed approach. The benefits of these options may improve as Planning consent and vacant possession are obtained and potential development partners are likely to be less risk averse as the earlier stages of development are delivered. Subject to the delivery route for Phase 2, this could impact on the overall capital receipt shown below.

AGAR GROVE ESTATE RIBA STAGE C*		Phase 1 <i>(divided into 3 sub-phases)</i>			Phase 2 <i>(divided into 3 sub-phases)</i>			Total
Programme	Outputs	70 Social Rented 101 Private Sale 237sqm-shop and café			147 Social Rented, 38 Shared Ownership, 157 Private Sale 795sqm-community & commercial			
	Blocks built	A	F, H, G	JKL	B, I	C, D, E	Refurbish Lulworth	
	Construction begins	Oct-14	Apr-16	Apr-18	Jul-19	Jul-19	Jul-21	
	Construction completes	Mar-16	Sep-17	Sep-19	Jun-21	Dec-20	Jul-23	
Expenditure		11.6m	19.4m	29.0m	34.2m	10.1m	39.1m	143.4m
Sales Income		--	11.5m	41.3m	6.0m	--	83.5m	142.4m
Grant Funding (Right to Buy receipts)		2.3m	2.2m	--	6.8m	2.7m	--	14.0m
Cumulative surplus / (deficit)		(9.3m)	(15.0m)	(2.6m)	(24.0m)	(31.4)	13.0m	13.0m

* Delivery route -Council as developer

26. WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

26.1 We have arrived at a baseline position with Council as developer which will do the following:

- Generate a positive surplus of £13m;
- Deliver 513 new homes, 217 for social rent, 38 shared ownership and 258 private sale at a 50:50 floor space ratio of affordable housing to private sale;
- Improve the quality of life for an existing cohesive community creating a safe, secure and pleasant place where people want to live. The project has a high level of resident engagement and strong support from local people;
- Re-house most tenants in larger, warmer, more accessible housing through a single decant;
- Increase the sustainability of new homes through passivhaus certification, set new standards for housing in London tackling fuel poverty - a critical issue for people on fixed incomes;

- Increases community and commercial and green space providing private gardens, balconies & terraces, communal gardens, public squares, play areas and a ball court.

27. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

Timing and delivery

- 27.1** Camden has a number of options around the timing and delivery of the project which enable it to respond to changing circumstances. It is important to keep delivery routes for Phase 2 open while safeguarding principles developed with residents through consultation such as the undertaking that tenants will retain their secure tenancies in a new development.

Financial exposure

- 27.2** The proposed project is phased which reduces overall financial exposure at any given time. Under the proposed 'Council as developer' model there is the ability to control changes of timing in delivery mitigate cost increases or to exploit any uplift in value which may arise through market changes. Partnering models and JV arrangements tend to allow less short term controls and require a more long-term approach with fixed commitments and outcomes.

- 27.3** Notwithstanding this, the programme can be accelerated and decelerated and there are options around having phases delivered under different models in Phase 2 in order to optimise the benefits to the Council within the context of the wider programme and the Council's programme priorities as they develop. A decision on how to deliver Phase 2 does not need to be taken until Spring 2016 at which time the delivery strategy can respond to the wider programme context and take account of sales market performance and funding availability.

Sales risk

- 27.4** In order to mitigate sales risk exposure, Savills have been appointed to advise on the design process in relation to optimising market sales and Urban Splash (developer) are also providing advice on the remodelling and refurbishment of Lulworth. Urban Splash have a strong track record of delivering residential and non-residential uses within innovative regeneration schemes and in particular transforming challenging existing buildings into attractive and desirable places to live.

Proposals for the HS1/HS2 link

27.5 The delivery of the project is also potentially affected by proposals for the HS1/HS2 link along the route of the North London line to the south of Agar Grove. HS2 Ltd have recently indicated that they may wish to use of part of the estate as a site compound on a temporary basis to facilitate engineering works to the line from 2017. Officers are in discussion with HS2 Ltd. about the options for undertaking their works elsewhere and will seek to ensure that any impact on programme is minimised. At this stage HS2 Ltd.'s proposals for the site are at a very early stage of development and there may in fact be alternative locations for the site compound. Officers have made clear to HS2 Ltd that this would become a major point in petitioning and that the expectation is that HS2 Ltd undertake a robust process of assessment for suitable alternative locations or construction methodology. Residents and Members will be kept informed.

28. WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

28.1 The project finances will be subject to monthly monitoring to ensure that spend meets predicted cashflows. The overall progress of the scheme will continue to be monitored through the Better Homes Board and CIP governance procedures. The project's financial position will be reviewed at different points during its delivery and the timing of delivery will be dependent upon performance of the wider CIP programme, taking account of sales market performance and funding availability.

28.2 A decision on the delivery route for Phase 2 will need to be taken in approximately Spring 2016.

28.3 Indicative timetable

Submit planning application	Dec-13
Stage E design and consultation plus decant and leaseholder / freeholder buybacks begin	Dec-13 / Jan-14
Planning decision	Mar-14
Commence procurement of a contractor for Phase 1	Feb / Mar-14
Vacant possession of site for Phase 1	Summer-14
Start construction works for Phase 1	Oct-14
Cabinet update on delivery route for Phase 2	Spring-16
Completion of construction of Phase 2	Jul-23

29. CONSULTATION

29.1 Consultation events were held in March 2012, June 2012, April 2013, June 2013, August 2013 and October 2013. Consultation has been

done with local residents, neighbouring residents and ward Councillors as well as other internal Council departments and stakeholders. There is good resident engagement and strong support for the proposals. To date, we have had some form of contact with 85% of the estate and of those 70% of residents are in favour of the proposals, 12% are opposed and 18% don't know or are unclear if they are supportive or not. A detailed consultation report and Key Facts and Questions are included at Appendix 14.

- 29.2** Equality Impact Assessment has been conducted and shows no potential for discrimination. All appropriate opportunities to advance equality and foster good relations have been taken. The adverse impacts of building new homes on the estate and refurbishing existing homes on the estate are justified on the grounds of raising the standard of residents' living accommodation, improving the estate environment, and increasing the supply of new housing. There are a range of actions we propose to mitigate against and minimise adverse impacts. The EIA is presented at Appendix 15.

RECOMMENDATIONS

The Cabinet is asked to:

- a. Agree the proposed regeneration strategy and delivery of the Agar Grove Estate regeneration project as set out above including the submission of a planning application in mid-December 2013;
- b. Agree that Phase 1 will be delivered as 'Council as developer', subject to the stipulations in respect of CIP programme performance and funding availability set out at 28.1 above. The delivery route for Phase 2 will be subject to a cabinet update and delegated authority to the Director of Housing and Adult Social Care to make such amendments in consultation with the Director of Finance and the Borough Solicitor;
- c. Note that contractual commitment of this project with 'Council as developer' will mean that the available debt cap on HRA funding will be largely committed to this project from 2018/19 until 2021-2023, based on current projections of funding availability, and therefore no further major projects may be committed until further funds become available;
- d. Agree the project be implemented in accordance with the specific delegations 1 to 6 approved as part of the July 2012 CIP Cabinet report (CENV/2012/25), which are included in the Appendix 1, to the relevant Service Director in consultation with the Director of Finance:
 - i. Agree the terms of and implement and complete acquisitions or disposals of property associated with this project in consultation with the relevant Cabinet Member, the Head of Property Services and the Borough Solicitor;

GOSPEL OAK INFILL AND MAITLAND PARK SITES

- ii. Agree terms for obtaining vacant possession of commercial and other non-residential properties affected by this project in consultation with the Cabinet Member for Resources, the Head of Property Services and the Borough Solicitor;
- iii. Agree contract award strategies and contract awards for the implementation of this project in consultation with the relevant Cabinet Member, the Head of Property Services and the Borough Solicitor;
- iv. Make a compulsory purchase order for land required for this project in consultation with the relevant Cabinet Member and the Borough Solicitor;
- v. Issue Initial Demolition Notices (and subsequently Final Notices if appropriate and legal requirements are met) on affected secure tenants in order to suspend the requirement for the Council to complete Right to Buy applications for as long as the Notices remain in force in consultation with the Borough Solicitor;
- vi. Appropriate existing Council land under relevant powers as necessary to enable the implementation of the scheme in consultation with the relevant Cabinet Member, the Head of Property Services and the Borough Solicitor;
- vii. All land affected is outlined within this report and at Appendix 13;
- e. Delegates to the Director of Finance the option to undertake prudential borrowing to support the capital funding requirements of the scheme if required;
- f. Note that there may be further minor amendments to the revised scheme, in order to comply with planning or other requirements.

APPENDICES

Appendix 13 – The existing estate & what the new development will look like

Appendix 14 – Consultation report & Key Facts and Questions

Appendix 15 – Equality Impact Assessment

Financial Summary in Part II Appendix

GOSPEL OAK INFILL AND MAITLAND PARK SITES

30. WHAT IS THIS SECTION OF THE REPORT ABOUT?

- 30.1** This section of the report is about the development of new social rented and shared ownership homes on under-used sites and estate improvements at on the Kiln Place and Barrington & Lamble estates and the Grafton Terrace site at Maitland Park.

30.2 This section of the report also covers the proposed redevelopment of the Aspen House block on Maitland Park to provide new social rented, shared ownership and private homes.

31. WHY IS THIS SECTION OF THE REPORT NECESSARY?

31.1 Resident consultation on these estates began in 2011. Meetings were held with each of the Tenants and Residents Associations (TRAs) to ascertain the chief repairs and management priorities and agree areas most suitable for infill development.

31.2 The sites were first presented to Cabinet in June 2011 as part of the comprehensive CIP report (CEN/2011/45). Gospel Oak has been recognised as a priority for regeneration due to the significant investment required on the large number of post war Council estates which are particularly difficult and expensive to maintain.

31.3 While the Council has been consulting on these schemes for over two years, the timing and stage of development of the projects coincides with developers who are seeking sites to deliver affordable housing. This has provided an opportunity to deliver new affordable homes, capital receipts and community facilities without burdening the Council's borrowing facility.

31.4 Please see Appendix 16 for details of the estates and development proposals.

32. OPTIONS

32.1 Officers have considered three options for the delivery of new homes at Maitland Park, Kiln Place and Barrington & Lamble:

- Option 1: off-site affordable;
- Option 2: Council as developer;
- Option 3: sale of sites with planning consent.

32.2 The recommended option is option 1, which involves the delivery of homes on Grafton Terrace, Kiln Place and Barrington and Lamble as social rented housing and low cost home ownership, and the delivery of Aspen House separately as a later phase. Please see Appendix 17 for a detailed consideration of option 2, which is not currently feasible due to the Council's current borrowing situation, and option 3 which is not financially viable.

32.3 Housing and Adult Social Care (HASC) and Planning officers have been working to identify Council-owned sites which could fulfil the off-site affordable housing requirement for a number of private sector

GOSPEL OAK INFILL AND MAITLAND PARK SITES

schemes around the Borough. S106 agreements require the developers of these schemes to provide or fund the provision of affordable floorspace elsewhere, when it cannot be delivered on site. This funding provides an opportunity to pay for the building of social rented housing and low cost home ownership on the Kiln Place and Barrington and Lamble estates, and the Grafton Terrace site at Maitland Park.

32.4 This option maximises the amount of social housing provided while limiting the Council’s borrowing by funding the cost of building the new homes.

32.5 The application of off-site funding to these schemes has been subject to a robust assessment of value for money compared to other possible social housing developments.

32.6 Following delivery of Grafton Terrace, the Aspen House site at Maitland Park could then be built out as a mixed scheme of social rented, shared ownership and private homes following the demolition of Aspen House.

32.7 The benefits of the recommended option are:

- Highest number of social rented units;
- Lowest impact on borrowing;
- Reduced exposure to sales risk.

Table 1: Phase 1 unit summary

RIBA STAGE C	Grafton Terrace	Kiln Place	Barrington and Lamble
Total number of new homes	32	14	8
Number of social rented Bedrooms / Bedspaces Floorspace	16 units 68 1,634sqm	9 units 37 859sqm	5 units 25 575sqm
Number of shared ownership Bedspaces Floorspace	16 units 44 1,112sqm	5 units 23 564sqm	3 units 12 338sqm
Community space (D Class)	328sqm (297sqm existing)	0sqm	0sqm

32.8 Please see the confidential Part II Appendix for a summary of the financial implications of this proposal.

Phase 2: Aspen House

32.9 The proposed delivery of Grafton Terrace, Maitland Park and Kiln Place using off site affordable funding leaves the Aspen House site, which can be delivered in the longer term once the headroom position or funding climate improves.

32.10 It is recommended that planning permission is sought for the Aspen House site in conjunction with Grafton Terrace site in order to:

- Avoid costs of producing separate applications;
- Take advantage of any time-dependent funding that may become available such as further GLA grant or additional off-site affordable money
- Avoid CIL liability (potentially due in Autumn 2014) which could threaten scheme viability.

Table 2: Phase 2 unit summary

RIBA STAGE C	Aspen House
Total number of new homes	82
Number of social rented	35 units
Bed spaces	123
Floor space	2,486sqm
Number of shared ownership	3 units
Bed spaces	13
Floor space	276sqm
Number of private sale	44 units
Bed spaces	148
Floor space	3,416sqm

Regeneration Strategy

32.11 Consultation with residents and consideration of design options to date has defined the scope of the proposed regeneration projects with the following principle objectives:

- To provide a high quality mixed tenure development of new Council homes with opportunities for shared ownership as set out in delivery option 1;
- To provide new homes to the highest design and sustainability standards and to replace poor quality Council homes at Aspen House;
- To provide a new TRA hall with additional community facilities on Grafton Terrace;
- To provide improved and more co-ordinated landscaping and play facilities;
- To improve community safety and security.

32.12 At this stage of design development the mix of the proposed new housing under option 1 will be 100% affordable of which approximately 60% social rent and 40% low cost home ownership of new residential floorspace at Kiln Place, Barrington and Lambie and Grafton Terrace.

32.13 On the Aspen House site the proposed housing will be approximately 50% private sale, 45% social rent and 5% low cost home ownership, with the private sale housing paying for the social housing and wider environmental improvements. Over both sites the approximate mix is 37% private sale, 48% social rent and 15% low cost home ownership. To achieve these objectives it will be necessary to demolish the current TRA Hall and redevelop the Grafton Terrace site to provide replacement community facilities and re-house residents of Aspen House which will also be demolished.

32.14 Subject to Cabinet approval of the regeneration strategy a local lettings policy for the estates will be adopted. At Maitland Park the policy will provide direct lettings first to residents of Aspen House who need to move to enable the redevelopment to proceed and then lettings of any unallocated to those in housing need on the rest of the estate. Residents would be contacted on an individual basis to ensure that their housing needs are correctly matched to the appropriate sized property. At Kiln Place and Barrington & Lambie a local lettings policy will be adopted which prioritises those in need living on the estates.

33. WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

33.1 The recommended decision is for the Council to proceed with the development of the sites at Kiln Place, Barrington & Lambie and Grafton Terrace as affordable housing using off-site contributions from a scheme with planning approval. This provides the greatest benefit to the residents of Camden most in need by maximising the provision of affordable and low cost home ownership units, and minimises the impact on the Council's borrowing capacity allowing it to proceed with other CIP commitments. A planning application will be submitted on the basis of a mixed tenure scheme to provide the flexibility to make best use of available funding.

33.2 It is also recommended that the Council proceeds with the submission of the planning application for the Aspen House site to be delivered separately when this is financially viable. The delivery route for this site will be finalised and submitted for formal approval at the appropriate stage.

34. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

34.1 A summary of risks and mitigation are set out below.

Off-site affordable funding

34.2 There is a risk that the development identified to fund these projects does not go ahead, or an acceptable agreement cannot be reached. There are a number of other potential developments which are likely to generate significant off-site contributions which could be used to fund these projects if necessary. It is recommended that Cabinet consent to proceed is not directly linked to a particular private sector scheme, but agree to the approach in general.

Planning considerations

34.3 Gaining planning consent for a number of separate sites with individual constraints is problematic and requires a variety of well-considered architectural responses. Input from the Council's Placeshaping Team has been provided throughout architect selection, feasibility and design development stages to guide proposals.

34.4 Architects have been selected for different sites based on relevant experience to estate setting and residents input, and are working closely with Planning officers to comply with policy as much as possible.

Ground conditions

34.5 There are various construction concerns based around ground conditions, including the presence of a main sewer beneath Kiln Place. Various surveys have been carried out throughout 2013 as part of a due diligence process to mitigate the ground condition risks, these included trial pits, radar tracking of services, archaeological assessments and engineering studies. Further investigations are being undertaken in relation to the sewer at Kiln Place.

35. WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

35.1 The key milestones for the proposed project are:

Indicative timetable	
Design Development to Stage C & Cabinet Approval	Dec-13
Planning Submission	Feb-14
Works Contract Tender	Mar-14
Planning decision	Jun-14
Contract Award	Sep-14
Start on site	Nov-14
Completion	Sep-16

GOSPEL OAK INFILL AND MAITLAND PARK SITES

35.2 Negotiations will continue with the developers of the off-site affordable donor sites to reach an agreement which is acceptable to all parties including the Council as Local Planning Authority and land owner.

35.3 The project finances will be subject to monthly monitoring to ensure that spend meets predicted cashflows. The overall progress of the scheme will continue to be monitored through the Better Homes Board and CIP governance.

36. CONSULTATION

36.1 Please see details of consultation to date in Appendix 18. Consultation events were held across the three estates in April 2013 (Maitland and Barrington & Lamble), May 2012 (all estates), June 2012 (Kiln Place), July 2012 (Maitland Park), October 2012 (Kiln Place and Barrington & Lamble), April 2013 (Maitland Park), June 2013 (Barrington & Lamble), July 2013 (Barrington and Lamble), September 2013 (Maitland Park and Barrington and Lamble), and October 2013 (Kiln Place). Consultation has been done with local residents, neighbouring residents and ward Councillors as well as other internal Council departments and stakeholders. Response to consultation has been broadly positive and designs have been modified throughout to address concerns.

36.2 An Equality Impact Assessment has been carried out which found that the proposals show no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken (see Appendices 19 and 20).

RECOMMENDATIONS

The Cabinet is asked to:

- a. Agree the regeneration strategies for the estates as set out above and that the project be implemented in accordance with the specific delegations 1, 3 and 6 approved as part of the July 2012 CIP Cabinet report (CENV/2012/25), which are included in the Appendix 1, to the relevant Service Director in consultation with the Director of Finance:
 - i. Agree the terms of and implement and complete acquisitions or disposals of property associated with this project in consultation with the relevant Cabinet Member, the Head of Property Services and the Borough Solicitor;
 - ii. Agree contract award strategies and contract awards for the implementation of this project in consultation with the relevant Cabinet Member, the Cabinet Member for Resources, the Head of Property Services and the Borough Solicitor;

GOSPEL OAK INFILL AND MAITLAND PARK SITES

- iii. Appropriate existing Council land under relevant powers as necessary to enable the implementation of the scheme in consultation with the relevant Cabinet Member, the Head of Property Services and the Borough Solicitor;
- b. Delegates to the Directors of Housing and Adult Social Care and Culture and Environment the authority to enter into a formal agreement with the developers of off-site affordable donor sites to fund the delivery of new homes on the Council's land at Kiln Place, Grafton Terrace and Barrington and Lamble estates;
- c. Delegates to the Director of Finance the option to undertake prudential borrowing to support the capital funding requirements of the scheme if required.

APPENDICES

Appendix 16 – Sites details

Appendix 17 – Options Appraisal

Appendix 18 – Residents Consultations

Appendix 19 – Equality Impact Assessment - Gospel Oak Infill

Appendix 20 – Equality Impact Assessment - Maitland Park

Financial Summary of the preferred option in Part II Appendix

BOURNE ESTATE REGENERATION – UPDATED BUSINESS CASE

37. WHAT IS THIS SECTION OF THE REPORT ABOUT?

37.1 A revised budget and regeneration strategy, which will enable the scheme to be delivered in a single phase.

38. WHY IS THIS SECTION OF THE REPORT NECESSARY?

Changes to the Regeneration Strategy

38.1 Following initial tender returns it has become apparent that this project cannot be effectively delivered within the approved budget. In order to reduce cost significantly it is proposed that the programme is altered to deliver both blocks in a single phase. This involves further consultation and changes to the regeneration strategy.

38.2 The initial regeneration strategy for Bourne Estate was approved by Cabinet on 18th July 2012. The scheme achieved planning and listed building consent on the 28th February 2013 and was subsequently tendered under a procurement framework.

BOURNE ESTATE REGENERATION – UPDATED BUSINESS CASE

38.3 The total approved development budget for the project is currently £19.9M. A successful tender from the initial process would have been likely to result in a total development cost of circa £24.8m. Accounting for rising sales values that have increased the Gross Development Value (GDV), if implemented, this would still result in an increased surplus up from £4.1m in July 2012 to £6.3m.

39. OPTIONS FOR CONSIDERATION

39.1 It is recommended that value engineering be carried out on the design and specification of the development to reduce costs. This will seek to reduce cost without impacting quality or value. Additionally it is proposed that the development is delivered in a single phase. It is anticipated that each of these two approaches could save up to £1.5M. The Council could choose not to consider either of these options in delivering the project, further details follow.

40. REASONS FOR THE RECOMMENDED DECISIONS?

40.1 Value engineering and a concurrent build are being proposed to reduce the cost of the development and increase the scheme's surplus.

41. WHAT ARE THE KEY IMPACTS/ RISKS? HOW WILL THEY BE ADDRESSED?

Temporary TRA & Play Facilities

41.1 The changes are likely to result in disruption being concentrated over a shorter period of 2.5 years, rather than stretching over a 4 year period. Temporary arrangements will also have to be made for provision of TRA facilities and play facilities, as changes to the phasing are likely to result in their early demolition.

Early Decanting of Mawson House

41.2 A single phase development would require the accelerated decanting of Mawson House, originally expected at the end of 2014. The Cabinet member for Housing has indicated his support for a single phase delivery, subject to the effective rehousing of residents. Officers are working closely with the allocations and voids teams to ensure that this happens and around half of the buildings 20 residents are expected to have been rehoused by the end of the year.

42. WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

Revised Tenders & Expected Savings

42.1 Discussions have taken place with contractors as to how the design and construction of the scheme could be modified and value engineered. As a result a tender clarification process has been underway, with revised tenders expected in mid-December. Up to £1.5M is expected to be saved from value engineering and up to £1.5M from the concurrent construction of both blocks.

42.2 However, with rising construction costs it is anticipated a budget of £23.3M will be required to secure the appropriate contractor and desired development quality, saving a minimum of £1.5M on the original tender, but requiring a budget increase of £3.4M. This would increase the projected surplus from £4.1M in July 2012 to £7.8M. Further details are shown in the following table:

(£M)	Cabinet approved scheme (Jul 2012)	Scheme submitted for planning (Nov 2012)	Scheme post planning optimised (Apr 2013)	Tender Return and associated costs (Jul 2013)	Revised Budget (Dec 2013)
Development Cost	17.9	18.9	19.9	24.8	23.3
<i>% Increase</i>		5.6	11.2	38.5	30.2
GDV	22.0	24.0	27.3	31.1	31.1
<i>% Increase</i>		9.1	24.1	41.4	41.4
Surplus	4.1	5.2	7.4	6.3	7.8
<i>% Return on Investment</i>	22.9	27.5	37.2	25.4	33.5

Monitoring

42.3 The tender clarification process will be carefully monitored by the project team and senior officers. The quantity surveying part of the lead consultant’s service is also being replaced to provide independent oversight to help with value engineering, assessment of the tender returns and final contract award.

43. CONSULTATION

43.1 Consultation took place throughout 2011 and early 2012 with statutory consultation on the regeneration strategy taking place between 31st May and 28th June 2012. Consultation for the revised regeneration strategy is due to complete on the 22nd November. Ward Councillors have been consulted and, at the time of writing, a clear majority of residents responding to the consultation were in favour of the changes.

BOURNE ESTATE REGENERATION – UPDATED BUSINESS CASE

43.2 The Equality Impact Assessment presented at the previous Cabinet (July 2012) is still relevant as the same short to medium term impacts still apply, but are concentrated over a shorter period, delivering the estate improvements sooner. There are a number of benefits from the scheme for the nine protected groups including a better standard of accommodation for current residents, improved thermal insulation, homes built to 'Life Time Homes', improvements to the public realm and community safety. A local lettings policy enables all groups to benefit from new properties being built. The positive outcomes negate the short term construction disturbance on the estate which affect all of the protected groups differently. A construction management plan will be developed to ensure these issues are addressed to minimise the impact on these groups. The full EIA is attached at Appendix 22.

RECOMMENDATIONS

The Cabinet is asked to:

- a.** Agree to the revised single phase regeneration strategy;
- b.** Agree to the new budget of £23.3M.

APPENDICES

Appendix 21 – Consultation Summary

Appendix 22 – Equality Impact Assessment

44. LEGAL IMPLICATIONS (Comments from the Borough Solicitor)

General

- 44.1** Where the CIP Projects in this report are recommending procurement the overall strategy is to invite tenders, carry out a full OJEU procurement or call off a contractor from an existing EU compliant framework with the strategy report delegating the final decision on contract award strategy as well as the final award to the relevant service director. Whilst this decision will be in consultation with the Borough Solicitor (as well as others) it will be important to engage ongoing legal advice at an early stage especially on the use of particular frameworks as not all frameworks let by other bodies are fully compliant with the EU rules.
- 44.2** Where the relevant CIP Project involves the disposal by the Council of land held by the Council in the General Fund, the Council's power to dispose of such land is Section 123 Local Government Act 1972. That section stipulates that a local authority may dispose of land as it chooses, but the consent of the Secretary of State at the Department for Communities and Local Government is required, if it is intended to dispose of land at a consideration less than the best that can reasonably be obtained.
- 44.3** Where the CIP Project involves the acquisition by the Council of land (by agreement) to be held by the Council in the General Fund, the Council's power to acquire such land is Section 120 Local Government Act 1972 provided that the land to be acquired is required for one of the Council's functions or for the benefit, improvement or development of their area.
- 44.4** Where the CIP Project involves the disposal by the Council of land held by the Council for the purposes of part II of the Housing Act 1985, the Council's power to dispose of such land is Section 32 of the Housing Act 1985. That section provides that the Council can dispose in any manner, but such disposal shall not be made without the consent of the Secretary of State at the Department for Communities and Local Government. Such consent will be granted either by one of the general consents which have recently been issued by the Secretary of State or, in the event that the circumstances of the disposal do not fall within any of such general consents, by means of a specific consent obtained from the Secretary of State.
- 44.5** Where the CIP Project involves the acquisition by the Council of land to be held by the Council of land for the purposes of part II of the Housing

LEGAL AND RESOURCE IMPLICATIONS

Act 1985, the Council has power to acquire such land for those purposes under Section 17 of the Housing Act 1985.

- 44.6** In a number of the CIP projects there are properties near to the land forming the subject of the CIP project which are owned by leaseholders, where the Council is the landlord. The leases of such properties grant rights to the leaseholders in respect of other parts of the estate, of which the land forming the subject of the CIP project forms part. In those cases, if Cabinet approve the decisions which they are asked to approve by the respective recommendations throughout the report, due account of such rights will have to be taken as part of the disposal process, although it should be stressed that there has as yet been no formal exercise to identify any specific rights.

Individual Schemes

Edith Neville School and Central Somers Town

- 44.7** Where land owned by a local authority has, within the eight years before has been used wholly or mainly for the purposes of a school but the plan is that it will no longer being used for these purposes, then the Secretary of State can make a land scheme arrangement so that the land could be used by a Free School or Academy (Paragraph 1 of Schedule 1 to the Academies Act 2010).
- 44.8** The Local Authority will need to implement the formal school organisation process if the proposed plan amounts to prescribed alterations, and in the case of Edith Neville school that will mean if the school premises are enlarged to allow the admission of more than one form entry. There are 5 statutory stages for a statutory proposal for a proposed school expansion, which are consultation, publication, representation, decision and implementation.
- 44.9** In respect of St Aloysius Nursery school the formal school organisation will apply if the main entrance of the discontinued site, as the school occupies more than one site, is more than 1 mile from the main entrance of the remaining site. In addition, the formal school organisation process will apply if St Aloysius Nursery School transfers to a new site where the main entrance of the school on the proposed new site would be over 2 miles from the main entrance of the current site.
- 44.10** Section 123 (2A) of the Local Government Act 1972 provides that a local authority may not dispose of land consisting of or forming part of an open space unless before disposing of the land it causes notice of its intention to do so, specifying the land in question, to be advertised in

LEGAL AND RESOURCE IMPLICATIONS

two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to them.

44.11 In the event that the regeneration strategy which the report is asking Cabinet to approve will include any disposal of land consisting of or forming part of an open space, then the procedure set out above will have to be followed. This is the case whether or not the local authority intends the area of open space to be disposed of to be replaced by alternative open space.

44.12 Section 122 (2A) of the Local Government Act 1972 provides that a local authority may not appropriate land consisting of or forming part of an open space unless before appropriating the land it causes notice of its intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed appropriation which may be made to them.

44.13 In the event that the regeneration strategy which the report is asking Cabinet to approve will include any appropriation of land consisting of or forming part of an open space, then the procedure set out above will have to be followed.

Kingsgate Primary School Expansion

44.14 Sections 13 and 14 of the Education Act 1996 requires a local education authority to secure sufficient primary and secondary education places to meet the needs of the population of their area. It is the local authority's discretion as to what steps they take to meet that objective. The Department for Education's guidance – Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form: A Guide for Local Authorities and Governing Bodies states that there is a "strong presumption" for the approval of "proposals to expand successful and popular schools.

Bourne Estate Regeneration

44.15 The value of the works exceeds the EU threshold value for the procurement of works and the full remit of the Public Regulations 2006 (as amended) therefore applies. The EU Treaty principles (equal treatment, transparency and non-discrimination) also apply. Any clarifications issued by the Council as referred to in Point 42.1) should be submitted to all tenderers to comply with the above mentioned Treaty Principles.

44.16 Other legal comments are incorporated within the main body of the report.

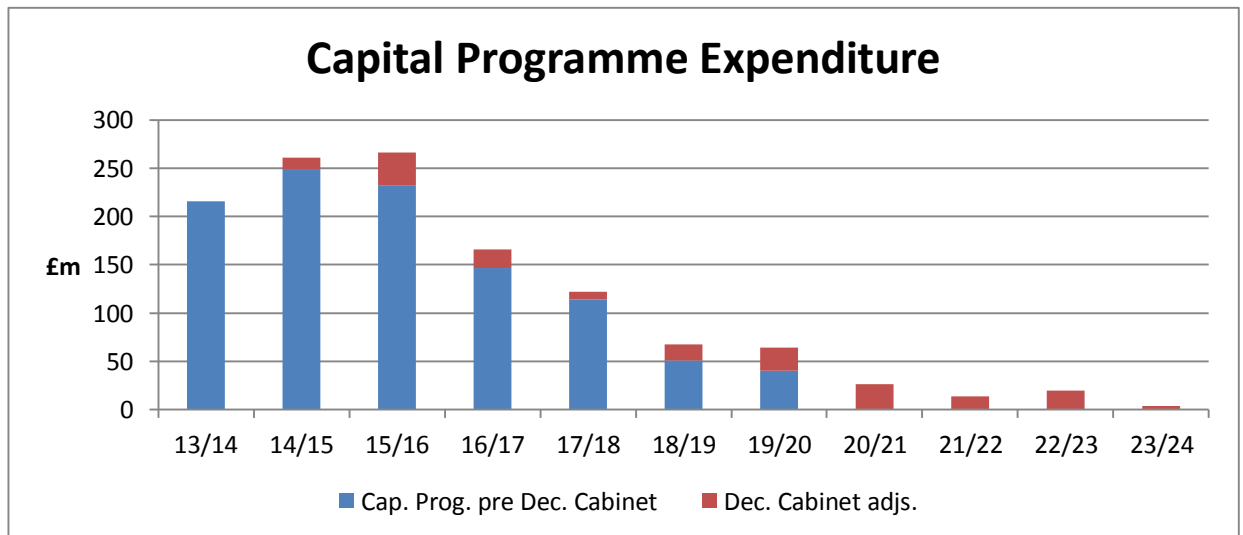
45. RESOURCE IMPLICATIONS (comments from the Director of Finance)

Overall Position

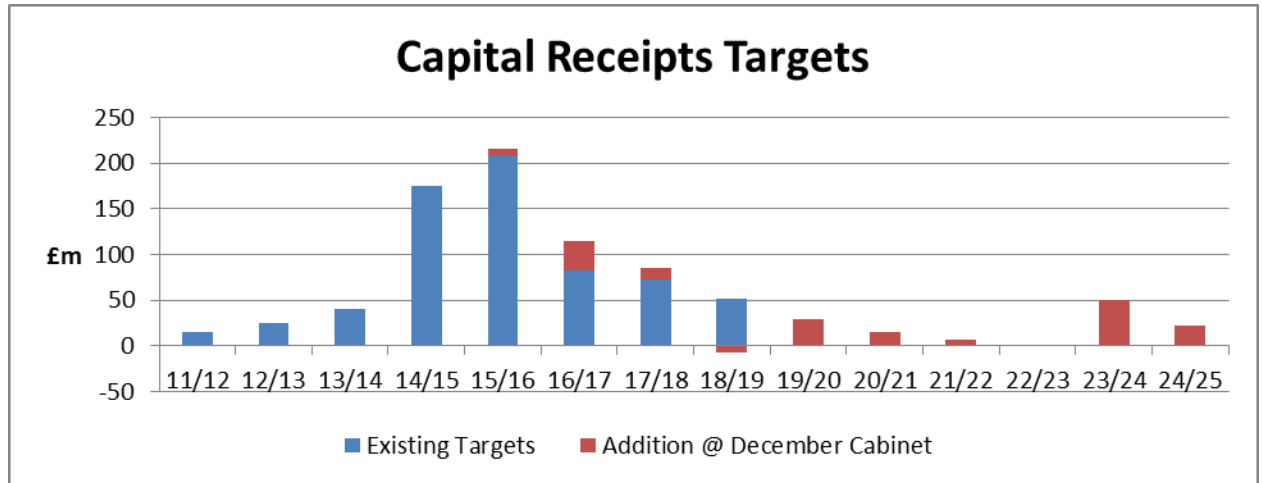
45.1 The projects being recommended for approval in this report represent in total the largest increase in the Capital Programme since February 2011. The table below shows the cost of the projects (in the case of Bourne and Edith Neville the increase in costs compared to existing budget is shown).

	£m
Bourne – adj.(HRA)	3.375
Somers Town-Edith Neville - adj.	4.058
Kingsgate school expansion	13.441
Highgate – fees only	0.200
Agar Grove (HRA)	143.339
Gospel Oak Infill/Maitland Park (HRA)	13.120
Total	177.533

45.2 The current capital programme of £1.048bn would increase by 17% with the addition of the above expenditure as shown in the table below.



45.3 The projects generate capital receipts from the sale of land and new private dwellings sufficient with the other new specific funding to match the level of expenditure. The current capital receipts targets of £632m would increase by £172m (+27%) to £804m as shown in the table below.



45.4 The risks associated with relying on capital receipts generation to this extent are that the authority is exposed to property market price fluctuations (prices are currently rising but could drop in the future) and delays in sales.

45.5 The receipts in the case of some projects most notably Agar Grove arise after the expenditure has been incurred and there is, therefore, if the Council is acting as the Developer a requirement to fund the cashflow of the scheme during construction. This funding would come firstly from capital receipts in hand, if available, and then once these have been exhausted from prudential borrowing which would be temporary borrowing as it would be repaid when the new private dwellings are sold. The Agar Grove estate regeneration is a large multi-phase project stretching to 2024/25 and were each phase of the scheme to be undertaken as Council as Developer then there would be a requirement for HRA prudential borrowing starting in 2018/19 and increasing in the years following which would utilise most of the remaining capacity under the Government imposed Debt Cap. Using a development partner or land sales of some plots of land would reduce the Council's overall risk and costs and free up capacity under the Debt Cap for other schemes. The recommendation to deliver Phase 1 as Council as developer and take the decision on how to deliver Phase 2 in Spring 2016 will allow us to assess the risks and take into account in 2016 capital receipts generation across the whole capital programme, the wider context (perhaps a change in the Debt Cap policy) and overall funding availability. Subject to the decision of the Cabinet in January 2014 on the Adelaide Road scheme approval to Agar Grove represents full commitment of the HRA Debt Cap and means that alternative financing models will be required if additional schemes are to be developed.

- 45.6** The construction of the new homes at Agar, Liddell Road, Somers Town and in the Gospel Oak Infill areas will result in the authority qualifying for New Homes Bonus (NHB) grant. This grant is currently equivalent to the Council tax payable on the dwellings and lasts for 6 years. The Government has recently consulted on cutting the grant by 35% from 2015/16. Assuming the cut is implemented the new homes in this report would generate NHB of about £600,000 p.a.

Individual Schemes

Highgate Newtown Community Centre

- 45.7** The report proposes that a budget of £200,000 is established, funded from corporate capital resources, to develop the scheme up to planning application stage. The business case to be reported to Cabinet next year will seek to recoup this cost from the development of the site.

Kingsgate primary school Expansion – Liddell Road site

- 45.8** The report asks for approval of the business case and the development strategy for the expansion of the Kingsgate primary school onto the site known as Liddell Road. The proposed option is estimated to have a total cost to the Council of £13.4m and to realise capital receipts of £16.7m. It has been an objective of the scheme to achieve a surplus of at least £3m of capital receipts as this is the amount budgeted for and planned to be used to fund the approved CIP Schools programme. The phasing of the project will require the Council to fund £8.4m of expenditure over the first three years of the project up to 2016/17 before any sales proceeds can be realised. There are risks associated with this as the Authority will be exposed to property market price fluctuations.

Edith Neville school and central Somers Town

- 45.9** The proposal will minimise the risk to the Council from market fluctuations in contract price and sale proceeds. This will be achieved by selling the housing land to a developer and using the receipts to fund the school, community facilities and open spaces.

Agar Grove Estate Regeneration

- 45.10** This scheme is the largest in the Community Investment Programme and involves investment of £143m over the period up to 2023/24. The scheme is funded primarily through the sale of new private and shared ownership dwellings and a £14m contribution from Right to Buy retained receipts. There is a forecast surplus of receipts over expenditure of £13m by 2024/25. Without the retained Right to Buy receipts the scheme would not deliver a capital surplus.

- 45.11** Due to the phasing of the scheme there is a number of key financing points during the life of the development with the most significant being in 2022/23 when the cumulative capital cashflow requirement reaches £67m. This is because nearly 60% of the sales income is not due to be received until 2023/24 and 2024/25.
- 45.12** The cost inputs and sales values within the cash flow are set at today's prices and do not provide for inflation which provides a level of risk given the long timelines of this development. This is offset by a higher amount of contingency being provided for compared to the minimum of 5% usually adopted for CIP schemes. £10m contingency is included which represents an 8% provision against all costs and a 9% provision against acquisition and build costs. The property sales values are also set at today's values and have the potential to increase and, therefore, provide mitigation against any increase in costs. Sale prices assumptions vary by plot but on average the financial modelling assumes that a private sale 1 bed flat on the site will sell for £448,000.
- 45.13** Due to the size and development period of this scheme it is open to both income and expenditure risk against the assumptions made in the model. Due to the phasing of the development, however, the Council will be able to make decisions on contractual commitments at different stages.

Gospel Oak Infill and Maitland Park Sites

- 45.14** The section 106 agreements with private developers to provide affordable floor space presents the Council with the opportunity to fund the building of infill properties at Gospel Oak from the developer's contribution. The proposal to use section 106 contributions rather than using the Council's own resources will maximise the amount of social rented and LCHO properties without the need for any private sales.
- 45.15** Negotiations are currently underway with developers to maximise the section 106 funding. The intermediate option would result in no long term borrowing, but would result in peak short term borrowing of £2.1m due to timing of sales receipts from LCHO properties. Although the private developers will provide funding the Council will be the developer of Gospel Oak infill and will therefore be accepting the risks relating to the scheme, though these are considered low.
- 45.16** The redevelopment of Aspen House would be delivered as a later separate phase depending on available Council funding.

Bourne Estate

45.17 The report is asking for approval for a revised regeneration strategy and increased budget for this project as tenders received as part of the recent procurement exercise came in significantly above budget. It has been projected that as a minimum £1.5m could be saved from the lowest bid of £24.8m by completing the project in a single-phase, thus reducing the length of the project and the increase in future costs, and a further stage of value engineering to address some inflexibility in the original design specification. Taking all the factors into account, it has been considered prudent to request to increase the budget to £23.3m, whilst continuing to work to reduce this through the value engineering and re-tendering process. However, it is also projected that while costs have increased in the period since the budget was set in 2012, sales values have also increased. Based on current projections, even with the increased budget, the project will still deliver a surplus of £7.8m, which, in line with the decision of Cabinet in July 2013, will be used to part-fund the Decent Homes backlog works in future years.

REPORT ENDS

SCHEME OF DELEGATION FOR CIP PROJECTS (as approved by
the Cabinet in July 2012 CIP Cabinet report - (CENV/2012/25))

- 1. Delegation of authority to agree the terms of and to implement and complete the acquisition or disposals of property associated with a project**
- 1.1** A number of the projects identified in the CIP programme involve both the acquisition and the disposal of property. For example the current projects at Holly Lodge and Chester Balmore have involved a number of leasehold acquisitions. The projects themselves are part funded through the sale of some of the new property to enable new homes and facilities to be built.
- 1.2** Under the current constitutional arrangements for acquisitions and disposals each individual transaction in excess of £250,000 but not exceeding £2.5m has to be agreed by the Cabinet member for Housing in relation to housing properties and by the Cabinet Member for Resources for other properties. Transactions in excess of £2.5m in value are reserved to Cabinet.
- 1.3** In practice under the existing arrangements, once terms have been agreed in principle by Cabinet in the strategy report, transactions will be delayed by the need to place entries on the relevant forward plan and then taking the decision for each individual property.
- 1.4** The existing arrangements also require that proposals are referred to ward Councillors and where a ward Councillor disagrees with the proposal, the matter is referred to the Cabinet regardless of the value of the transaction, as it is considered contentious.
- 1.5** Under the proposals contained within this report, such arrangements would not apply as ward Councillors or any other interested party would have the opportunity to make representations directly to the Cabinet when it considered the implementation of the project strategy report referred to at 7.5 to 7-8 above.
- 1.6** Cabinet has already agreed similar arrangements for both the Holly Lodge and Chester Balmore projects, where the acquisition process has already been implemented. This has enabled acquisitions to be completed in a reasonable timescale.
- 1.7** Disposals would also be affected by the current constitutional arrangements – if an offer to purchase was considered appropriate then a forward plan entry would be required before a decision could be made. This militates against the effective marketing and sale of properties which Cabinet would have already agreed to as part of the regeneration strategy.
- 1.8** This proposal therefore seeks to mitigate the potential for delays by authorising the relevant service director to agree terms and implement acquisitions and disposals on CIP sites in consultation with the Director of Finance and the Borough Solicitor. It is however a prerequisite condition that Cabinet have received and approved proposals for the site along with details of funding arrangements.

2. Agree terms for obtaining vacant possession of commercial and other properties affected by projects.

- 2.1** Where Cabinet has taken a decision on a strategy to be implemented in relation to a CIP site, it may be necessary to implement arrangements to obtain vacant possession of Council-owned properties currently occupied by businesses or other individuals or organisations. This could involve, for example, obtaining the timely surrender of commercial premises where there is no actual lease extant but where there are protected rights to occupy the premises.
- 2.2** In many instances, the Head of Property Services already has delegated authority to effect such transactions though where the site is primarily held for housing purposes this is not the case.

3. To agree contract award strategies and awards for the implementation of a project

- 3.1** This is another area where current constitutional arrangements can build in delays. At present two separate decisions are required to give effect to a decision to enter a contract in excess of £5m – contract award strategy and subsequently a contract award report.
- 3.2** There are a large number of CIP projects which might exceed £5m in development costs and whilst proposals for some of these sites can be brought forward in reports combining more than one site it is likely that there will be a significant increase in Cabinet business.
- 3.3** As noted above, all projects which are proposed will be the subject of a strategy report setting out development and/or refurbishment proposals, cost estimates and funding arrangements. All procurement at this level is carried out under the oversight of the Strategic Procurement Board and in consultation with the Director of Finance and the Borough Solicitor.
- 3.4** Cabinet has recently agreed such a delegation in relation to Maiden Lane estate (HASC/2010/25) and in consideration of the above factors, recommendation 3 seeks a limited delegation of authority for those other schemes within the CIP where Cabinet has approved or does in future approve the proposed strategy for the site.
- 3.5** Subject to approval of this recommendation, the relevant decisions would be taken in consultation with the relevant Cabinet Member and where necessary reported to Cabinet as part of regular update report on the Community Investment Programme.
- 3.6** It is worth noting that in the context of the Council's constitution, the term 'contract award strategy' refers to the specifics of what it is that is tendered, how much it is likely to cost, and how tenders are evaluated and awarded. Recommendations as to the means by which a project is delivered, e.g. if the Council acts as a developer or whether a partner is involved in the delivery, will be put to the Cabinet as part of the project strategy report referred to at 7.5 to 7.8 above.

- 4. Making a compulsory purchase order (CPO) for land required for a project**
- 4.1** A number of CIP projects are likely to involve the acquisition of residential leasehold and commercial tenancies on Council land and, in some cases it is also possible that freehold interests may need to be acquired.
- 4.2** As noted above both the Holly Lodge and the Chester Balmore projects have involved such acquisitions and so far, all such acquisitions have been managed on a voluntary basis.
- 4.3** Leaseholders are paid market value plus up to 10% of the market value in compensation. This is based on the statutory compensation available to leaseholders under compulsory purchase arrangements and has the aim of avoiding disputes over the value of property.
- 4.4** Local authorities amongst other bodies, have the power to compulsorily purchase property. Under Section 226 of the Town and Country Planning Act 1990 an acquiring authority is able to compulsorily purchase land, houses or other properties for the purposes of development and regeneration and is intended to provide a positive tool to help acquiring authorities with planning powers to assemble land where this is necessary to implement the proposals in their community strategies and Local Development Documents. This is acknowledged to be the most widely drawn of the compulsory purchase powers and best used for regeneration purposes.
- 4.5** There are also powers under section 17 of Housing Act 1985 which can be used to assemble land for housing and ancillary development, including the provision of access roads; to bring empty properties into housing use; and to improve sub-standard or defective properties.
- 4.6** The decision to CPO is subject to a number of statutory checks and balances including human rights considerations. The CPO will not be confirmed by the Secretary of State unless there are persuasive reasons why it is in the public interest to bring the land into public ownership through a CPO therefore the decision is likely only to be pursued in the case that efforts to negotiate a reasonable arrangement and value for voluntary acquisition have failed and the project is at risk.
- 4.7** Most local authorities will implement a compulsory purchase order in tandem with voluntary negotiation to avoid a situation where an individual seeks 'ransom value.' In order for this to be effective the order must be made sufficiently far in advance as to be able to be given effect before vacant possession of the site is required. This is particularly important for projects where time is of the essence - for example where scheme implementation is required by a particular date in order to secure grant funding.
- 4.8** This was the case in relation to a recent negotiation as part of the Chester Balmore project, for which Cabinet agreed the making of a CPO in April 2011. In the event however, officers were able to negotiate vacant possession without recourse to the CPO.
- 4.9** This recommendation therefore seeks a delegation to the Director of Culture and Environment, or the Director of Housing and Adult Social Care, in consultation with the relevant service director (where they differ), the Director

of Finance and the Borough Solicitor, to authorise the making of compulsory purchase orders in relation to sites within the CIP programme where vacant possession is required.

- 4.10** Subject to approval of this recommendation, the relevant decisions would be taken in consultation with the relevant Cabinet Member and where necessary reported to Cabinet as part of regular update report on the Community Investment Programme.

5. Issuing demolition notices (under s138A and schedule 5A Housing Act 1985)

- 5.1** This delegation would only be exercised where properties which are identified for demolition as part of a CIP project strategy is approved by Cabinet. The reason for the issue of a demolition notice is to suspend the right to buy for those properties, thus avoiding a situation where a tenant exercises the right to buy prior to demolition. Were that to happen the Council would be in the position of having sold the property, giving over some of the sale price to the treasury and subsequently having to re-purchase the property at greater than market value. Any tenants who move to another Council property as part of a regeneration project do retain the right to buy in relation to their new property.

6. Appropriation of existing Council land under relevant powers as necessary enable the implementation of the scheme:

- 6.1** This relates to the purposes for which land is held by the Council. Local authorities have different powers available to them in relation to land – for example, where land is held under the Housing Act 1985, the Council has power to provide housing; where it holds land under its powers as a planning authority it may develop or enable the development of land to promote the economic well-being of an area or community. In order to exercise these powers in relation to CIP projects it may be necessary to ‘switch’ land between the different powers.
- 6.2** Subject to meeting certain requirements under the relevant legislation, land held as part of the Council’s general fund portfolio may therefore be re-designated as land held for housing and vice versa, or land from either portfolio may be designated as held for planning purposes. Land held for planning purposes may subsequently be re-designated as held for housing or other purposes upon completion of a development. This delegation does not involve any actual change of ownership of any land in question.
- 6.3** Officers taking decisions under any delegated powers will do so with due regard to equalities impact assessments.