

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> Gospel Oak
<b>REPORT TITLE</b> The Future of the Wendling Estate and St Stephen's Close (SC/2019/41)	
<b>REPORT OF</b> Cabinet Member for Investing in Communities and an Inclusive Economy	
<b>FOR SUBMISSION TO</b> Housing Scrutiny Committee Cabinet	16 <sup>th</sup> July 2019 17 <sup>th</sup> July 2019
<p><b>SUMMARY OF REPORT</b></p> <p>Camden 2025 is our communities' vision for Camden. It seeks to bring our residents, businesses and community organisations together, in a spirit of shared endeavour, to build a borough where everyone has a chance to succeed, nobody gets left behind and everybody has a voice. One of its key ambitions is that by 2025, everyone in Camden should have a place to call home. Regardless of tenure, we believe that these homes should be affordable and secure. They should be safe, accessible and flexible to meet people's changing needs particularly as they get older. Through Our Camden Plan, the Council's response to Camden 2025, we are also committed to ensuring that these homes are within mixed and integrated communities.</p> <p>The call to action on homes and housing will require all of our skill, innovation and leadership, if we are to increase the number of new homes. But to achieve our communities' wider vision for Camden in 2025, we also want to see: strong and inclusive growth and access to jobs and apprenticeships; safe strong and open communities; clean vibrant and sustainable places; and people being supported to live healthy independent lives.</p> <p>We're committed to maintaining our Camden communities by giving residents a place to call home, no matter where they are on their housing journey. We are doing this by building the homes our residents need in the face of a national and London-wide housing crisis. As a leading local authority housing developer we are using our own model for building – the Community Investment Programme (CIP).</p> <p>CIP is our 15-year plan for investing over £1 billion on schools, homes, existing council homes and community spaces. Through CIP every penny we raise through sales is invested back into our communities. Whether residents need a council home, support for their family from becoming homeless, a Camden Living home because they can't afford their rent, or somewhere to buy, Camden offers all of these housing options.</p> <p>Our aim is to build 3,050 homes, including 1,100 council homes, 300 Camden Living Rent homes directly delivered by the Council in partnership with residents. To date we have built 862 new homes and have 120 homes currently under construction and a further 1,250 homes in the planning stage. Potential areas to develop new homes have been identified in Gospel Oak, Haverstock and Camley Street. These would help meet our targets for new homes and community facilities as part of a second phase of CIP. The Council could have opted for a joint venture approach to deliver these projects but, given our experience as a borough builder, we intend to deliver these schemes directly using the CIP model to ensure we deliver the greatest benefits to our communities.</p> <p>Camden has built and paid for the homes and community assets our residents need in the face of challenging times for people living in Camden. These new</p>	

development opportunities are important to enable the Council to continue to deliver the needs of our communities and achieve the Camden 2025 ambition of giving everyone a place to call home by 2025.

The proposals contained within this report are the result of more than 18 months of extensive engagement activity and estate-based conversations, working closely with residents, ward members and supported by locally recruited Community Liaison Advisors (CLAs). The CIP team expanded to directly employ local people in Gospel Oak who actively engage with their neighbours and communities to encourage feedback on proposals and support a genuinely collaborative approach to developing a scheme for the Wendling estate and St Stephen's Close. This approach has greatly improved the way we communicate and work in partnership with residents while exploring redevelopment options for the Estate. This work culminated in consultation under s105 of the Housing Act 1985 on three redevelopment options for the Estate.

The report recommends that Cabinet agrees to a Regeneration Approach for the Estate based around a preferred option of complete redevelopment involving demolition of all existing homes and buildings on the Estate. This will enable a scheme to come forward which will provide new, high quality social rent homes for both existing and new residents, new homes of different tenures as well as associated social and community infrastructure.

Cabinet is also asked to delegate authority to the Executive Director Supporting Communities to take appropriate steps to progress the Regeneration Approach including putting it to a resident ballot in accordance with Greater London Authority (GLA) guidelines. Only if the ballot confirms that residents support the Regeneration Approach of complete redevelopment will the decision will be implemented.

It is recognised that, should Cabinet agree to the recommendations contained within this report, the development proposals will have a significant impact on the wider neighbourhood. Officers will commence work to engage the neighbours of the Estate from September 2019 to develop a Community Vision for the area which will be the precursor for future planning applications. This work will ensure there is a coherent overall plan for the area which meets the Council's policies and aspirations and that the necessary community infrastructure is in place to support this scale of new development.

The report also seeks Cabinet approval for refreshed and updated versions of the Community Investment Programme Pledges and Resident Offers and adoption of a Local Lettings Plan.

### **Local Government Act 1972 – Access to Information**

No documents that require listing were used in the preparation of this report.

**Contact Officer:** Contact Officer:

Julian Hart, 5 Pancras Square, London N1C 4AG, julian.hart@camden.gov.uk,  
020 7974 5822

## RECOMMENDATIONS

That Housing Scrutiny Committee considers this report and makes any recommendations to the Cabinet.

That the Cabinet having considered the consultation and engagement responses (including responses to consultation under Section 105 of the Housing Act 1985), the results of the equality impact assessment in Appendix H and having due regard to the need to achieve the statutory objectives set out in section 149 of the Equality Act 2010:

1. Agree the Regeneration Approach based on the preferred option of full redevelopment (Option 3) of the Wending Estate and St Stephen's Close (the Estate) as set out in Section 2 of the Report;
2. Adopt the Resident's Brief (in Appendix I) and Resident Offers (for tenants and resident and non-resident leaseholders) (Appendix D) and the Local Lettings Plan (Appendix E) for the Regeneration Approach;
3. Delegates authority (subject to compliance with all statutory requirements) to the Executive Director Supporting Communities in consultation with the Cabinet Member for Investing in Communities and an Inclusive Economy, the Executive Director Corporate Services and the Borough Solicitor to take all appropriate actions to progress the Regeneration Approach to enable a detailed business case and regeneration strategy to be developed for further consideration such actions to include:
  - undertaking a resident ballot for the Estate in accordance with GLA guidelines;
  - agreeing award strategies and any other steps required for procurement of professional advisers to progress design of the Regeneration Approach;
4. Delegates authority (subject to compliance with all statutory requirements) to the Executive Director Corporate Services in consultation with the Cabinet Member for Investing in Communities and an Inclusive Economy, the Executive Director Supporting Communities and the Borough Solicitor to allocate funding to develop the Regeneration Approach to scheme design (if appropriate on a staged basis)
5. Note that in due course a further report will be brought to Cabinet seeking approval for a detailed business case and regeneration strategy
6. Agree the updated and refreshed Community Investment Programme Pledges (Appendix B).

Signed:



Neil Vokes, Director of Development

Date:

4 July 2019

## **1. CONTEXT AND BACKGROUND**

- 1.1 The Wendling Estate is a council estate located in the Gospel Oak Ward. St Stephen's Close is adjacent to the Wendling Estate. Together they cover an area of 2.6 hectares and comprise 194 council tenanted homes and 47 leasehold homes, totalling 241 existing homes. For the purposes of any future resident ballot, the Council will treat the Wendling Estate and St Stephen's Close as a single council estate (the Estate). The Estate was built between 1960 and 1970 with a variety of building types and heights that are now in various conditions of disrepair. Reactive repairs report numerous problems with the heating and drainage system, with repeated flooding occurring in some properties.
- 1.2 The built structure of the Wendling Estate also includes on the north side accommodation for a health centre and a nursery. These buildings have been included within the work considering the future of the Estate. On the south side of the Estate, next to St Stephen's Close, there is a building housing a council-owned hostel for youths; this has also been included within considerations for the future of the Estate.
- 1.3 The Cabinet at its meeting in December 2017 (SC/2017/48) agreed to begin engagement with residents on the future of the Estate. Over the last 18 months feasibility work and extensive resident engagement has been undertaken to explore options for the future of the Estate in partnership with residents and to prepare an indicative business case. This was followed by a proposed option being presented to residents as part of a Section 105 consultation under the Housing Act 1985.
- 1.4 This report sets out redevelopment options and seeks approval to proceed with detailed design work, to run an estate resident ballot and, if the ballot confirms the majority of residents are in support of full redevelopment of the Estate, then prepare a detailed business case supported by masterplan and phasing strategy that will be submitted to Cabinet to seek allocation of funding and relevant delegations in order to progress the project through planning and into construction.

## **2. PROPOSAL AND REASONS**

### **Working up the Regeneration Approach**

- 2.1 The regeneration options discussed with residents have been wide ranging, from infill sites which would have retained all existing buildings, to full redevelopment of the estate. These options were:
  - Low Intervention (Option 1). This would involve no demolition of any existing homes and the construction of infill homes where appropriate. This would also involve replacement of the health centre and nursery (located on the northeast corner of the Estate) with new homes built above.
  - Medium Intervention (Option 2). This would involve demolition of part of the Estate together with the construction of infill homes on the remaining parts of the Estate. This would also involve relocation of the health centre and nursery.
  - High Intervention (Option 3). This would involve demolition and replacement of all homes and buildings on the Estate and replacement of

the existing health centre, nursery and hostel. At least 650 new homes would be built.

- 2.2 The plan at Appendix A shows the area that has been considered within the design option process.
- 2.3 Working closely with residents and the Community Liaison Advisors (CLAs) through the engagement period (Summer 2018 to March 2019) these options were developed and refined and residents' priorities for the Estate were captured in a detailed Residents Brief. It was important to understand from the outset what residents liked and didn't like about the Estate and what improvements they wanted to see as part of any redevelopment. The Resident Brief is included in the Design Report at Appendix I.
- 2.4 It was agreed with residents that the Council would assess each of the options against the following technical criteria:
  - Performance against the Residents' Brief
  - Viability
  - Sustainability
  - Buildability
- 2.5 Following the extended engagement process, the Council undertook a formal consultation in accordance with Section 105 of the Housing Act 1985 during May 2019, in which a single proposed option (High Intervention (Option 3)) was suggested to residents for comment. This proposed option was put forward on the basis that the majority of residents previously surveyed (69%) were in favour of Option 3 and that it performed best when assessed against the agreed technical criteria set out in 2.4 above. The s105 consultation letter and Consultation Report can be found at Appendix C. This consultation covered all residents on the Estate including council tenants, leaseholders and private tenants of leaseholders.
- 2.6 During the engagement and consultation the Council's decision making process for the future of the Estate was communicated to residents including the fact that a preferred option would be recommended by officers to Council's Cabinet and, if approved, the proposals would then be put to an estate ballot. Only if the majority of residents vote in favour of the proposals would the decision be implemented. If less than 50% of residents who vote are in support of Option 3 then the plans will not proceed in their current form. In advance of the ballot taking place we will work hard to engage with eligible residents to ensure a high turnout.

### **The Technical Assessment of Options**

- 2.7 Technical design reports were commissioned to support the technical assessment of the options.
- 2.8 The design team, Metropolitan Workshop, compared the options against the emerging Residents' Brief. It is apparent that High Intervention (Option 3) is best able to meet the greatest number of aspirations expressed by residents. The Design Report is at Appendix I.
- 2.9 A sustainability appraisal was commissioned to consider how the three options would perform against a list of sustainable development objectives. The report

(Appendix F) shows that High Intervention (Option 3) provides the greatest scope to deliver a more sustainable urban neighbourhood and new homes.

- 2.10 A buildability assessment was commissioned from a specialist in construction planning and logistics (Appendix G). This work has informed the cost and deliverability of each of the options. This assessment makes clear that much further design work is required to realise a robust masterplan and phasing strategy and that there is less flexibility in Options 1 and 2 to develop a cost effective phasing strategy in the next stage of the project.
- 2.11 The viability of all three options has been considered. This shows that all three options are capable of being viable and deliver 40% affordable housing including replacement of all existing council tenant homes. High Intervention (Option 3) delivers the most new homes and the greatest number of new affordable homes. The viability work also shows that, at 40% affordable housing, the Low and Medium Interventions (Options 1 and 2) cannot provide sufficient cross-subsidy to pay for any improvements works across the remaining parts of the Estate. The viability work forms the basis of an indicative business case for redevelopment; more commentary on viability is provided at paragraph 2.29-2.33 and in Section 8.

### **Regeneration Approach – Full Redevelopment of the Estate (Option 3)**

- 2.12 It is proposed that the Estate be completely redeveloped; this is the High Intervention approach (Option 3). This approach best meets the objectives put forward by residents in the Resident's Brief and performs best when assessed against the technical criteria listed at paragraph 2.4 above. It best enables the Council to address the poor quality of housing which exists on the Estate and delivers the most new homes to help tackle the housing crisis and meet the aims of Camden 2025.
- 2.13 Resident feedback shows general support for this option, albeit with a number of residents still undecided. A door knocking exercise carried out by the CLAs in April 2019 managed to reach 69% of residents. Of those surveyed 69% confirmed they are in favour of Option 3. The Equalities Impact Assessment (EIA) surveyed 76% of households in May 2019 (Appendix H). This showed 58% of residents in favour of Option 3 with 25% of residents undecided.
- 2.14 Some of the key reasons residents have voiced support for the proposals are: that the problems on the estate are so significant that they could not be resolved by refurbishment works – it needs to be demolished and rebuilt; anti-social behaviour is a big problem on the estate which could only be addressed by a full redevelopment approach; it is the only way to get the improvements needed to their homes; and residents want a new home.
- 2.15 For those who are not in support of the redevelopment proposals the EqIA generated the following responses: some residents do not want to move house; some residents are concerned about the investment they have made to their property; some are concerned about the distance they may have to move, particularly temporarily; some would like to know more about the proposals before they decide.
- 2.16 If agreed, the Regeneration Approach will become the Council's preferred option to be incorporated into a Landlord Offer and taken to an estate resident ballot. In

parallel, it is proposed that design and related work will commence towards developing a masterplan, phasing strategy and detailed business case forming a regeneration strategy to seek funding for the redevelopment of the Estate.

- 2.17 It is Camden's commitment to residents that their voice will be heard within major decisions about their homes, neighbourhoods and communities. The Council has agreed to adopt all of the GLA's requirements for estate regeneration ballots. This means that a ballot of all eligible residents will be held to determine if the redevelopment proposal goes ahead. It is proposed that further discussion will take place with residents on the Estate to identify the most appropriate time to carry out a ballot.
- 2.18 The process of designing the scheme will involve detailed consultation with both estate residents and neighbours and local residents, and will need to be conducted in parallel with the wider Community Vision consultation. All regional and national Planning policies will be taken into account and a strong focus will be on community safety in the wider area. The options will be developed in line with both Draft London Plan 2017 and Camden Local Plan 2017 policy expectations for affordable housing, open space, new homes, density levels and other key areas.
- 2.19 Once the design proposals have reached RIBA stage 2 (masterplan and concept design) a detailed regeneration strategy and business case will be brought back to Cabinet in order to secure funding for the redevelopment works.
- 2.20 The High Intervention (Option 3) would involve:
- commitment to the revised Community Investment Programme (CIP) Pledges as set out in Appendix B;
  - demolition of all existing homes on the Estate (within the red-line on the plan at Appendix A) on a phased basis and the building of a minimum of 650 new homes based on a new masterplan for the area, as yet to be developed;
  - require all existing households within the red-line to move to suitable alternative accommodation in accordance with the Resident Offer documents and an adopted Local Lettings Plan (at Appendices D and E);
  - relocation of the health centre, nursery and hostel either to alternative locations on the Estate or to alternative locations in the locality; and
  - other works outside the red-line (such as highway improvements and associated social infrastructure) in the immediate neighbourhood to meet Camden's policies and aspirations for planning and sustainable communities.
- 2.21 In the case of the health centre, nursery and hostel, it is our intention to work with the service providers to maintain continuity of service through the redevelopment wherever possible. Where they will be relocated will be included in the detailed business case and full regeneration strategy following further design work which will be presented to Cabinet in 2020.

### **Delivery of the Regeneration Approach for the Estate**

- 2.22 As a leading local authority housing developer, with a strong track record for delivering what our communities need, the Council intends to deliver the proposed scheme as part of the CIP. The redevelopment works would be paid for by the Council and managed directly by the CIP team who have the skills and expertise in-house. The CIP team will use all of its recent experience from projects such as

Agar Grove, Maiden Lane, Bourne Estate and the Abbey Estate in delivering this type and size of development project. Residents and the local community would play an integral part in this process. We are committed to work together to design schemes and to involve estate residents in all aspects of developing new homes, so they are designed by residents, for residents.

- 2.23 Alongside the masterplan, a phasing strategy would be developed with input from the CLAs and residents to ensure the disruption during the moving process is kept to a minimum. The Council will follow the agreed principles set out in the Local Lettings Plan and seek to avoid decanting council tenants and resident leaseholders away from the Estate unless they so choose.
- 2.24 The Council will use its in-house expertise within the CLAs and Consultation and Engagement teams to support the community and work with residents through the resident ballot and scheme design to achieve a phased masterplan and detailed business case. It is proposed that a design team will be procured to complete the design development work, prepare a planning application and complete the design to sufficient detail to enable the procurement of a contractor for a first phase of development. The authorisation sought at this time is to procure a team to RIBA Stage 2, to inform a detailed business case to bring this back to Cabinet for consideration prior to proceeding to submit a planning application.
- 2.25 The cost associated with taking a scheme of this size through design and planning stages to a start on site is estimated at £6.8m. It is envisaged that it will cost circa £2.55m to develop the detailed business case, supported by a masterplan (RIBA Stage 2) and phasing plan. This is the extent of the budget approval sought at this time.
- 2.26 Following the Cabinet decision in December 2017 (SC/2017/48) it felt appropriate to first discuss the regeneration options with residents whose homes would be directly affected. Therefore the conversations with the wider community were put on hold. Now those initial estate-based discussions have taken place it is intended to restart the conversation with residents of the wider community in September 2019.
- 2.27 It is really important to create a coherent plan for the wider area and we are keen to talk to neighbours of the Estate to understand the wider priorities of the area and to ensure all necessary local infrastructure is in place to support the scale of this proposed new development. Working closely with local stakeholders will be key to delivering a Community Vision to make Gospel Oak a better place to live in, work in and visit.
- 2.28 The intention is that the Community Vision work will be carried out at the same time as the design proposals for the Estate are developed; it is envisaged as the precursor for future planning applications. It will ensure that the development proposals sit comfortably in their existing surroundings and that the vision for the area meets the aspirations of Camden's design and planning policies. For example some of these include; Camden Clean Air Action Plan, Planning for health and wellbeing, Camden Transport Strategy, Camden's Joint Strategic Needs Assessment, Camden's Green Action for Change 2010-2020, Community and Social Cohesion Plans, Camden Character Study.



## Financial Viability and Financial Risk Management

- 2.29 The demolition of all existing homes and buildings on the Estate and the building of a minimum of 650 new homes represents a total project cost of over £250m. The viability of the High Intervention (Option 3) has been tested robustly and at 40% affordable housing, market sales at today's values can generate sufficient cross-subsidy to cover that total development cost with adequate contingency. This is, however, only an indicative business case and the aspiration is to deliver at least 50% affordable housing. Officers will be investigating all options through the next design stage to meet the 50% affordable housing target. More commentary is provided at paragraphs 2.37-2.40.
- 2.30 The scheme will be phased over a number of years to allow managed moves for existing residents and also allow the Council to build affordable and market sale homes in each phase. This approach will help to manage cash flow and peak debt levels and ensure project risk is kept at an acceptable level. The detailed business case will include a phasing strategy where finance colleagues will be involved closely to agree an acceptable level of cost and sales risk as well as peak debt for the project.
- 2.31 It is recognised that there is a sales risk associated with the number of homes being marketed for sale in the area at the same time, not just proposed on the Estate but also on other nearby CIP schemes. Converting some homes for sale to privately rented homes on a temporary basis could be considered to reduce the sales risk to the project. This will be considered as part of the detailed business case scheduled to return to Cabinet next summer.
- 2.32 The table below provides a summary of the output from one modelling scenario:

Total Private Units	426
Total Social Units (affordable)	200
Total Intermediate Units (affordable)	86
Percentage Affordable (by unit number)	40.17%
Total uplift in new affordable floorspace	+5,900m <sup>2</sup>
Total uplift in new affordable bedspaces (people)	+219
Total Scheme Costs (Incl all contingencies)	£ 279,536,427
Total Receipts - Sales	£ 240,590,000
Total Camden Living Transfer Value	£ 12,900,000
Total Receipts - Commercial	£ 3,896,427
Total Grant funding	£ 22,150,000
Surplus/Deficit	£ -

*To note: this is based on current day prices and does not include phasing.*

- 2.33 In the current economic environment, both future market sale values and construction costs are difficult to predict with certainty. Inflation or deflation of one or the other could quickly change the level of viability and affect the level of affordable housing that can be delivered. The modelling is highly sensitive to construction costs and it will be critical to manage the design and construction of the development carefully to keep construction costs within acceptable parameters. Governance controls will be put in place to ensure that costs are managed accordingly.

## **Response to Resident Engagement – Recommended Actions**

- 2.34 During the engagement and consultation, residents were asked to provide feedback on draft Resident Offers and a draft Local Lettings Plan. These are essential to provide residents with the Council's written assurance that they will be provided with a new home (if they wish to remain living on the Estate), they will be compensated for the possible disruption, they will be provided with assistance as necessary to help them move home and they will have the opportunity to be involved in the design of the new homes every step of the way. These documents have now been revised and are attached as Appendices D and E and it is intended that they will form part of a Landlord Offer under an estate resident ballot.
- 2.35 Taking into account other resident feedback, it is proposed that the Council commits to the following as part of the Regeneration Approach for the Estate:
- Bringing forward decant and leasehold buy backs as early as possible. Residents have said that they feel their lives are "on hold", and requested that decant and buy backs will be brought forward. It is intended that this process would commence immediately after a detailed business case has been agreed by Council Cabinet.
  - A commitment to consult with residents throughout the process up to and through construction and communicating a clear timeline with milestones.
  - Producing a Frequently Asked Questions (FAQ) document for residents based on key themed feedback received to date i.e. where they will be rehoused, compensation details, etc.

## **Equality Impact Assessment – Recommended Actions**

- 2.36 An Equalities Impact Assessment (EqIA) has been carried out on the Estate (Appendix H). It is proposed that all the mitigation priorities identified are incorporated into any Regeneration Approach going forwards and implemented through the redevelopment process. At Section 8 of the EqIA, there is a proposed Action Plan which can be used to help prioritise and thereafter monitor recommended actions and mitigations. The EqIA did not involve a review of Camden Council's existing systems and processes, it may therefore be that some of the mitigation priorities and proposed actions are already carried out by Camden as a matter of course. An early review will be required to identify where there may be gaps in the existing arrangements offered by the Council to ensure that the redevelopment is delivered in line with the conclusions of the EqIA.

## **Target Delivery of Affordable Housing**

- 2.37 It is the Council's ambition to deliver a minimum 50% affordable housing on its CIP projects. Early viability work suggests the scheme would break even at 40% affordable housing. This is on the basis of providing new homes for all existing tenants and resident leaseholders, including new family homes to alleviate overcrowding on the Estate, intermediate rented (Camden Living) homes and an additional 5,900m<sup>2</sup> of affordable floorspace and an additional 219 affordable bedspaces. Viability to-date suggests that it would be very challenging to deliver 50% affordable housing on-site, given the financial challenges such as infrastructure costs and the need to buy back non-resident and re-house resident leasehold properties.

- 2.38 All opportunities to reduce cost and increase income to the scheme will be investigated through the next design stage. Options such as modern methods of construction will be reviewed in an attempt to reduce cost, increase cost certainty (and lower levels of contingency) as well as reviewing all opportunities to access additional streams of grant funding. A significant focus for this project will be to control costs and seek additional grant funding to maximise the viability of the project. If circumstances change on a national level and additional funding streams become available, this money will be used to increase the number of new genuinely affordable homes we can deliver.
- 2.39 Other measures that the Council will explore in order to target 50% affordable housing include:
- costs will be benchmarked against industry and other public housebuilder standards to ensure value for money;
  - the current indicative design will be developed to ensure efficiencies and viability are maximised with the aim to increase the affordable provision;
  - the scheme will be phased and viability assessed for each phase to ensure risks are managed and benefits maximised;
  - the Council will explore additional funding opportunities with the GLA to increase affordable provision; and
  - the Council will respond to any changes in national political landscape which may present opportunities for increased funding and affordable provision.
- 2.40 Other opportunities in the Gospel Oak area will also need to be investigated to increase the number of affordable homes in the local area. It is anticipated that any additional affordable homes delivered in the Gospel Oak area would be paid for through receipts from the Camley Street development, as per Cabinet Paper Update of Delivery Strategy of Future Projects, SC/2017/48. Initial findings show there is potential to achieve our target of 50% genuinely affordable homes across the ward, however further work is required to develop a business case for these local opportunities for additional affordable homes. This review will be discussed and developed with local residents and stakeholders as part of the Community Vision work.

### **Reasons**

- 2.41 This Regeneration Approach will provide all tenants and resident leaseholders new, affordable, high quality homes which suit their household needs in a secure and healthy environment. The existing housing on the Estate is in need of significant repairs and the arrangement of the buildings and open space increases the opportunity for crime and anti-social behaviour. Through extensive resident engagement the majority of residents have confirmed they are in support of a full redevelopment option; the Regeneration Approach will need to be formally confirmed through an estate resident ballot. This option will provide the opportunity for residents to work in partnership with the Council to help shape and change the Estate and neighbouring area for the benefit of local people.
- 2.42 The Community Vision work that will run in parallel with the Regeneration Approach will ensure that redevelopment of the Estate is accompanied by investment in community infrastructure in the local area as guided by residents living in Gospel Oak.

2.43 Through our Community Investment Programme (CIP) we are able to build and pay for the homes and social infrastructure that our communities need. This redevelopment proposal will enable the Council to continue to deliver the needs of our communities and achieve the ambitions of the Camden Plan – to give everyone a place to call home by 2025.

### 3. OPTIONS APPRAISAL

3.1 The pros and cons of adopting Low Intervention (Option 1) are:

Pros	Cons
<p>Lower level of disruption to residents. Some residents preferred this option. Lower level of capital cost and potentially lower development risk. Probably the quickest to deliver.</p>	<p>Performed relatively poorly in the technical assessment of options. Is not supported by a majority of residents. Not consulted on as part of s105 consultation. Does not resolve the existing physical problems with the Estate.</p>

3.2 The pros and cons of adopting Medium Intervention (Option 2) are:

Pros	Cons
<p>Lower level of disruption to some residents. Lower level of capital cost and potentially lower development risk.</p>	<p>Performed relatively poorly in the technical assessment of options. Is not supported by a majority of residents. Not consulted on as part of s105 consultation. Some residents felt this option was unfair as only some would benefit from new homes. Does not resolve the existing physical problems with the remaining part of the Estate.</p>

3.3 The pros and cons of adopting High Intervention (Option 3) are:

Pros	Cons
<p>Performed best in the technical assessment of options. Is supported by a majority of residents. Consulted on as part of s105 consultation. Fully resolves the existing physical problems with the Estate. Greatest number of new homes both affordable and private.</p>	<p>Highest development risk. Greatest level of disruption to residents as all households will have to move</p>

3.4 The pros and cons of Doing Nothing are:

Pros	Cons
<p>Lower level of short-term disruption to residents. No development risk.</p>	<p>Is not supported by a majority of residents. Not consulted on as part of s105 consultation. Does not resolve the existing physical problems with the Estate. Does not provide any new homes.</p>

3.5 The pros and cons of adopting the revised CIP Pledges are:

Pros	Cons
<p>Take into account experience on the CIP since 2012</p>	<p>None</p>

#### **4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?**

- 4.1 The key impacts of this decision would be experienced by the residents, property owners and business and council operations on the Estate. In the short-term they will experience negative impacts due to having to move home or location and on-going construction work in close proximity to where they live or work. In the long-term, residents will experience the benefits of new homes in a much better designed urban neighbourhood and any business or council operations will be relocated into better premises. The Council will seek to mitigate the short-term impacts through a variety of approaches:
- adoption of the Resident Offer and Local Lettings Plan helps give assurance to residents and property owners that they will either be re-housed in a new home or adequately compensated for the disruption experienced;
  - involve residents every step of the way in designing their new homes and neighbourhoods so that they feel part of the process and that the new homes and local area are designed by residents, for residents;
  - adopting the recommendations within the Equality Impact Assessment to ensure that all residents are treated fairly and that the design and construction of the new homes provides for their needs;
  - liaise with business and council operations on the Estate to help ensure continuity of service and the opportunity to move to new facilities in the locality; and
  - continue to directly employ full time Community Liaison Advisors based on the Estate to support residents and help communicate effectively with residents throughout the process.
- 4.2 The proposed redevelopment plans would require a planning application which would include a Construction Management Plan (CMP) to reduce localised impact from construction activity. The Council's CIP team are committed to being a respectful developer and will ensure our partnering building contractor works closely and respectfully with neighbours and keeps any disruption to a minimum. Our CLA team will be able to use their local knowledge to input into the process to get it right first time and action all resident enquiries quickly and effectively.

#### **5. LINKS TO CAMDEN 2025 AND OUR CAMDEN PLAN**

- 5.1 The proposal supports Our Camden Plan's focus on *Homes and Housing*, particularly the commitment to 'strive to make homes in Camden safe, well-managed and well-maintained, and make sure that people's homes meet their needs'. The proposal seeks to improve the quality of homes for all residents living on the Estate
- 5.2 This redevelopment proposal will enable the Council to continue to deliver on the needs of our communities and contribute to achieving the ambitions of Camden 2025 that everyone should have a place to call home by 2025.
- 5.3 In June 2013 (CENV/2013/29), Cabinet decided to take a direct leadership role to deliver redevelopment and regeneration in Gospel Oak, joining up infrastructure needs through a strategic plan developed with the community. There was a pause to this work whilst estate-based conversations took place but it will now be progressed in parallel with redevelopment of the Estate through preparation of a Community Vision. This work aims to ensure that regeneration of the Gospel Oak

area is well thought through and that benefits arising from the redevelopment proposals are delivered in a way that is desired and needed to enhance the wider community.

## **6. CONSULTATION/ENGAGEMENT**

- 6.1 Over the course of 18 months extensive engagement and consultation has taken place with local stakeholders including the residents living on the Estate, property owners and businesses on the Estate, Ward Councillors, residents and community stakeholders in the surrounding area and relevant departments within the Council, including housing management, placeshaping, planning, procurement, housing allocations, legal and finance.
- 6.2 In accordance with the December 2017 Cabinet decision (SC/2017/48), the Council appointed a Strategic Community Liaison Lead and two Community Liaison Advisors (CLAs) – tenants from the Gospel Oak area who actively engage with their neighbours and communities to encourage feedback on proposals and support a genuinely collaborative approach to developing a scheme for the Estate. The CLA team seek a committed, consistent working relationship with the Estate. In February 2018 a Steering Group was set up for the Estate. Through meeting regularly with the Steering Group and estate residents, a good, vibrant working relationship has been formed across all members including the chair Councillor Revah, officers, steering group members and estate residents. The CLAs and the Steering Group were instrumental in communicating with residents and shaping the engagement process. They have worked closely together to encourage resident participation and engagement by providing regular updates and clear information on the options appraisal process.
- 6.3 A wide variety of different methods of engaging and consulting with residents was used including estate meetings, steering group meetings, drop-in sessions, exhibitions, monthly newsletters, pop up stalls, arranging resident training (including certificates for resident courses), site visits to other development sites, community festive bingo, community festive lunch, community fun days, workshops, coffee mornings, door-to-door surveys, and having the CLAs based full time on the Estate Monday to Friday to answer any questions. This has been effective in building strong relationships with residents and moving the process forward whilst enabling residents, councillors and officers to work in continued partnership.
- 6.4 As well as the design exhibitions and drop in sessions we produced a ‘Jargon Busting’ booklet and held workshops with interactive games for residents to participate to ensure inclusivity to all ages. A Frequently Asked Questions booklet and information pack (specific to each tenure) was produced to allow residents time to read and digest all the information to encourage a better understanding of the proposals. Further details on the community engagement and consultation is provided in the Consultation Report at Appendix C and feedback from the CLAs at Appendix J.
- 6.5 At the final exhibition in May 2019, residents and community stakeholders from the local area were also invited to see the progress that had been made towards identifying a potential future for the Estate and to confirm to local stakeholders that the Community Vision work would begin shortly, if a decision to redevelop the

Estate were taken. Details of attendance to the various exhibitions is provided in the Consultation Report at Appendix C.

- 6.6 Through the engagement, residents were also provided with information about what would happen to those homes that were not demolished as part of any redevelopment and what level of improvement works might happen across the Estate, and when, in the case of the Low and Medium Intervention options or if no redevelopment happened.

## **7. LEGAL IMPLICATIONS**

- 7.1 In considering the recommendations officers must have due regard to the need to achieve the various statutory objectives detailed in section 149(1) Equality Act 2010. The Equality Impact Assessment at Appendix H considers this matter in detail. It is important that this document is read carefully.
- 7.2 Consultation must adhere to basic legal principles to be lawful. Whether or not consultation is a legal requirement, if it is embarked upon it must be carried out properly meaning it must be undertaken when proposals are still at a formative stage, it must include sufficient reasons to allow people consulted to give intelligent consideration and an intelligent response. Finally adequate time must be given for the responses which must be conscientiously taken into account by the decision maker. Whilst the decision is not required to accord with the views of the majority, (as established by the consultation) decision makers need to carefully consider the results of the consultation and take it into account within its overall consideration of the recommendations. In particular it is important that officers have taken the results into account when formulating their recommendations and for example considered any alternatives proposals that may have been suggested. Decision makers should also content themselves that it was a reasonable, proportionate and effective exercise which meets the basic requirements of good consultations being that it was clear, had enough time allowed to ensure adequate participation and that the results have and will be fully taken into account.
- 7.3 The decision to proceed with Option 3 may interfere with tenants and leaseholders' right to respect for family and home life protected by Article 8 ECHR. However, any such interference is both "in accordance with the law" and proportionate given, inter alia, the medium term positive effects that the regeneration will have and the various mitigating steps that the Council will take to reduce any adverse impact on family and home life.
- 7.4 Under Section 105 of the Housing Act 1985 the council has a legal obligation to consult its secure tenants on matters of housing management such as changes to the management, maintenance, improvement or demolition of houses let by them, or changes in the provision of amenities. Consultations are carried out where development proposals may have an impact for secure council tenants. Leaseholders are also asked for their feedback and kept informed.

## **8. RESOURCE IMPLICATIONS**

- 8.1 This report sets out proposals for a comprehensive regeneration strategy for the Wendling and St Stephens Close estate, being presented to Cabinet alongside a parallel regeneration strategy on this agenda for the West Kentish Town estate,

nearby in Haverstock. While the proposals for both schemes are at an embryonic stage, initial modelling set out in the body of the report suggests that redevelopment would be feasible with the creation of around 40% affordable homes across the two sites. A budget of £2.55m is requested for the Wendling scheme, with a further £3.05m requested for the West Kentish Town scheme in order to commission the work required in order to return to Cabinet next summer with full business cases for consideration following the completion of activities such as the production of a robust RIBA stage 2 masterplans and detailed site surveys. This funding will be met from the Housing Revenue Account reserve.

- 8.2 While the indicative business case in today's prices suggests the projects are feasible, it is important that the full business case is mindful of the following key risks:
- the need to ensure the schemes are phased to manage resourcing requirements, debt and exposure to the sales market;
  - that appropriate allowance for contingencies and expenditure and sales inflation is included; and
  - that the delivery and financing strategy for the projects fit within the wider context of the capital programme and the organisations risk profile and appetite.
- 8.3 The modelling has been presented in today's prices, and will therefore understate the eventual cost of the projects. There is therefore a risk that the 'bottom' line will worsen should cost inflation exceed sales inflation during the eventual construction period. The projected total costs across both projects include total contingencies of around 13% on costs in today's prices. Consultants have advised that the estimated build costs are reasonable, but as far greater understanding of the sites and plans will be gained as the proposals are worked up in more detail, there is the potential that these could rise. Due to the scale of the potential investment – over £600m in today's prices – it will be vital that the projects are phased to manage the council's exposure to debt and sales risks. The modelling assumes that GLA grant will be receivable at £100k per social unit – the level of the most recent GLA grant round – but that will be subject to any grant scheme the GLA is running at the time. It will be important that officers explore all available options that may assist with financing the project.
- 8.4 Once it is agreed that the schemes deliver on our ambitions within our Camden Plan and that the projects meet the council's financial viability and value for money assessments, the scale of investment likely to be required to deliver the proposals would lead to a significant increase in the size of the capital programme and the council's overall risk profile. This is likely to limit the ability of the council to agree further additional projects during the period unless there is a compelling case to do so, particularly when considered alongside the potential investment and resources that will be required to deliver Camley Street, if that project also secures Cabinet approval in the same period. As an indication of context, the capital programme presented for agreement in the Medium Term Financial Strategy paper on this agenda totals £1.1bn from 2019/20 to 2027/28, so the minimum anticipated total costs of £600m for the two schemes would represent an increase in the overall programme of 55%.



## 9. TIMETABLE FOR IMPLEMENTATION

9.1 If it is agreed to progress Option 3 (complete redevelopment), then the following represents an indicative timetable for implementation:

Remainder of 2019	<ul style="list-style-type: none"><li>Procure consultancy teams to progress design work in consultation with Steering Group</li><li>Commence Community Vision work</li></ul>
End 2019/ Early 2020	<ul style="list-style-type: none"><li>Appoint consultancy teams</li><li>Identify other opportunities to deliver additional affordable housing within the local area</li></ul>
Spring/ Summer 2020	<ul style="list-style-type: none"><li>Masterplanning, phasing strategy and detailed business case development</li></ul>
Summer/ Autumn 2020	<ul style="list-style-type: none"><li>Cabinet Decision required to allocate funding to scheme based on detailed business case, masterplan and phasing strategy</li></ul>
2021	<ul style="list-style-type: none"><li>Planning application</li></ul>
2021	<p>If planning permission secured:</p> <ul style="list-style-type: none"><li>Commencement of buy backs and decants</li><li>Make compulsory purchase order (if required)</li><li>Procure contractor for a first phase of demolition and construction</li></ul>
2021/2022	<ul style="list-style-type: none"><li>Commencement of works</li></ul>

9.2 The precise timing of a ballot will be confirmed following further discussions with residents on the Estate. The ballot will need to take place prior to reverting to Cabinet with a detailed business case.

## 10. APPENDICES

10.1 The following appendices are attached to this report:

- Appendix A – Red-line Plan showing the Estate
- Appendix B – Camden People’s Regeneration Pledges
- Appendix C – Wendling & St Stephens Close Feasibility Study Engagement Summary
- Appendix D – Finalised Resident Offer documentation for adoption as part of Cabinet decision
- Appendix E – Local Lettings Plan for Wendling and St Stephens Close and Bacton Phase 2
- Appendix F – Sustainability and Urban Design Review
- Appendix G – Stage 1 Buildability Appraisal
- Appendix H – Equality Impact Assessment
- Appendix I – Design Report including Residents’ Brief
- Appendix J – Report from Gospel Oak Community Liaison Advisers

**REPORT ENDS**