



Cabinet

1 June 2015

Report from the Strategic Director of Regeneration and Growth

Wards affected:
Kilburn

South Kilburn Regeneration Programme

1 Summary

- 1.1 This report seeks approval to authorise the Strategic Director of Regeneration and Growth to seek the Secretary of State's consent pursuant to Part V of Schedule 2 to the Housing Act 1985 to the disposal and development of Hereford House, Exeter Court (as shown edged red on Plan A at Appendix 1) and 4 to 26 Stuart Road (even numbers only) (as shown edged red on Plan B at Appendix 1) for the purpose of Ground 10A of Schedule 2; and also seeks approval to authorise the final Allocation Policy for secure tenants with homes in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only).

2 Recommendations

- 2.1 That the Cabinet, having noted and considered the responses to the consultation as set out in proposal 1 of Appendix 2, delegates authority to the Strategic Director of Regeneration and Growth to seek the Secretary of State's consent to the disposal and redevelopment of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) pursuant to Part V of Schedule 2 to the Housing Act 1985 and to seek possession of those dwellings occupied by secure tenants by relying on Ground 10A of Schedule 2 of the Housing Act 1985.
- 2.2 That the Cabinet, having noted and considered the responses to the consultation as set out in proposals 2 and 3 of Appendix 2 in connection with the intention to make a Compulsory Purchase Order(s) (CPO(s)) on Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), South Kilburn and in connection with the draft Allocation Policy for Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), approves the adoption of the Allocation Policy which will apply to Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) and which includes the proposal to make a CPO(s) on Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) as well as seeking possession of Hereford House, Exeter Court and 4 to 26 Stuart

Road (even numbers only), subject to the Secretary of State's consent, under Ground 10A of Schedule 2 to the Housing Act 1985. This Allocation Policy sets out the basis on which replacement homes will be allocated to secure tenants in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), South Kilburn and the legal means to be adopted for seeking possession of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) through the use of Ground 10A of the Housing Act 1985 (if approval is given by the Secretary of State) and compulsory purchase powers under section 226(1)(a) of the Town and Country Planning Act 1990.

3 Detail

- 3.1 A key principle of the phasing strategy for the South Kilburn regeneration programme is that the new affordable homes developed will, where the relevant needs are met, be made available to secure tenants within sites earmarked for development in the next phase. On this basis, the new affordable homes which are being developed at Bronte House and Fielding House, Cambridge Road, London, NW6 (being part of 'Phase 2a') and 'Site 11b' (comprising the sites of the former Royal British Legion Clubhouse and of the Albert Road Day Centre, London, NW6) will primarily be for existing secure tenants of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only). This in turn will ensure vacant possession of properties within Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), to enable further phases within the South Kilburn regeneration programme to be brought forward for redevelopment and more existing South Kilburn secure tenants to be re-housed in new high quality homes.
- 3.2 The Executive and Cabinet have previously approved the adoption of allocation policies for earlier phases of the South Kilburn regeneration programme which set out the Council's policies for allocation of replacement homes to secure tenants living in homes which were/are to be demolished as part of the overall South Kilburn regeneration programme. The draft Allocation Policy for Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) set out the Council's proposed policy for the allocation of replacement homes to secure tenants currently living in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) which will be demolished as part of the South Kilburn regeneration programme. It also set out the two legal processes on which the Council will rely in order to secure possession of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only): Court proceedings under Ground 10A of Schedule 2 of the Housing Act 1985 or a CPO(s).
- 3.3 On 11 November 2013 and 15 September 2014 the Executive and the Cabinet authorised that statutory consultation could be undertaken with secure tenants in 4 to 26 Stuart Road (even numbers only) and Hereford House, Exeter Court respectively on three proposals; (i) statutory consultation in connection with seeking approval of the Secretary of State pursuant to Part V of Schedule 2 to the Housing Act 1985 for use of Ground 10A of Schedule 2; (ii) consultation on the Council's proposal to make a CPO(s) on dwellings in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only); and (iii) consultation in connection with a draft Allocation Policy for Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only).
- 3.4 The representations received in response to the consultation and the Council's responses to them are shown at Appendix 2. The Cabinet must consider all representations and the matters set out in this report before making any of the decisions recommended in paragraphs 2.1 and 2.2 of this report.

- 3.5 On 1 April 2015, formal notices were served by hand on all secure tenants in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) on the following three proposals:
- a. statutory consultation in connection with seeking approval of the Secretary of State for use of Ground 10A of the Housing Act, 1985;
 - b. consultation in connection with intention to make a CPO(s) on properties currently occupied by secure tenants;
 - c. consultation in connection with draft Allocation Policy for secure tenants living in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only).
- 3.6 The notice included a covering letter, booklet and comments sheet, copies of which are shown at Appendix 3. The booklet noted that comments or observations should be made to the Council within a period of 28 days, which commenced the day after the notices were served.
- 3.7 The letter invited affected secure tenants to attend a meeting on Thursday, 9 April 2015 at 7pm at The Carlton and Granville Centre, Granville Road, NW6 5RA, where the proposals the subject of consultation would be explained in detail and where affected secure tenants would have the opportunity to ask questions. Eighteen secure tenants living in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) attended the meeting. Questions raised in response to the presentation included questions about the design of the new affordable homes, Right to Buy, rent levels of the new affordable homes and number of parking spaces.
- 3.8 The booklet gave information on all three proposals that were the subject of formal consultation as follows:

Proposed use of Ground 10A

- 3.8.1 Pages four to seven of the booklet set out the main features of the regeneration of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) and stated the Council's proposal to make an application to the Secretary of State for formal approval of the proposed redevelopment of Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) for the purposes of Ground 10A.

Proposed use of CPO on dwellings occupied by secure tenants in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only)

- 3.8.2 Pages eight and nine of the booklet set out the rationale for the Council's proposal to promote a CPO(s) on dwellings occupied by secure tenants in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) as part its proposed policy for securing possession; because the Council cannot be guaranteed to secure the regeneration of these blocks in a timely and efficient manner by the use of Ground 10A alone. The letter and booklet also advised that the Council intends to use CPO as a means to gain possession of dwellings occupied by secure tenants when it needs to ensure the timetable for regeneration could be complied with.

Draft Allocation Policy for secure tenants with homes in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only)

3.8.3 Pages ten to forty-two of the booklet included a copy of the draft Allocation Policy for Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) which sets out the policy for the allocation of replacement homes to secure tenants currently living in homes within these blocks, which will be demolished as part of the South Kilburn regeneration programme. The consultation documents noted that the Allocation Policy had been drafted to reflect the intention to use both Ground 10A and CPO powers to seek possession of homes currently occupied by secure tenants. The draft Allocation Policy also set out the policy and procedure for the making of home loss and disturbance payments to secure tenants, who are entitled to such payments in accordance with Council policy (including the Land Compensation Act 1973).

3.9 Following the public meeting on 9 April 2015 and the statutory consultation period, the following representations were received in relation to each proposal:

Proposal	Number of Comments
Statutory consultation in connection with seeking approval of the Secretary of State for use of Ground 10A of the Housing Act, 1985	Two (2)
Consultation in connection with intention to make a CPO on properties currently occupied by secure tenants	Three (3)
Consultation in connection with draft Allocation Policy for secure tenants with homes Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only)	Nine (9)

3.10 The representations received as part of this consultation process have now been considered, and consequently it is proposed to update the original draft Allocation Policy that was included at pages eleven to forty-two of the booklet as follows:

- a) **Paragraphs 7.3.2 and 7.4.2** - the original draft set out information on suitable offers of alternative accommodation, within South Kilburn to a replacement home that is an existing Council property that is not due for demolition as part of the South Kilburn regeneration programme. These paragraphs have been updated to advise that, where a secure tenant moves to a permanent Council home South Kilburn that is not due for demolition as part of the South Kilburn regeneration programme, the Council will fully decorate the property.
- b) **Paragraph 9.1** – the original draft set out information on the rent levels of the new affordable homes on South Kilburn. This has been updated to make clearer that annual rent increases for the replacement homes will be in line with Government guidance on social rents. Registered Providers are required to meet the 'key requirements' set out within the Rent Standard Guidance. The Rent Standard guidance currently provides that annual rent increases for social housing will be limited to the Consumer Price Index plus one per cent.

3.11 A copy of the final Allocation Policy for secure tenants with homes in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) is shown at Appendix 4. Should the Cabinet approve the adoption of the final Allocation Policy which will apply to Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), a letter summarising the changes to the Allocation Policy will be sent to all affected secure tenants in due course and further approval will be sought from the Cabinet to authorise the making of a CPO pursuant to section 226 of the Town and Country Planning Act 1990 to acquire all

interests within Hereford House and Exeter Court (as shown edged red on Plan A at Appendix 1).

4 Financial Implications

- 4.1 The financial implications of the policies for seeking possession from secure tenants in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) using Ground 10A of the Housing Act 1985, CPO under section 226(1)(a) of the Town and Country Planning Act 1990 and the Allocation Policy for Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) relates to the making of home loss and disturbance payments to secure tenants who are entitled to such payments in accordance with Council policy and legislation (including the Land Compensation Act 1973). Secure tenants, who move out of their homes, provided they have lived there for at least twelve months before their move and it is their only or principal home, will be eligible for a home loss payment which is currently a minimum of £4,900 but which may change in line with government legislation over the period of the regeneration. The Council will always pay the rate which applies at the time of the secure tenant's move. In addition to home loss payments, reasonable disturbance costs, including, but not limited to, removal expenses, redirection of mail and telephone disconnection and reconnection may be payable to secure tenants who are entitled to such payments. Anticipated home loss and disturbance payments to secure tenants with homes in Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) can be resourced from the South Kilburn regeneration programme budget.

5 Legal Implications

Ground 10A of Schedule 2 to the Housing Act 1985 (Legal)

- 5.1 The Council is required to obtain the approval of redevelopment schemes from the Secretary of State when seeking to re-house secure tenants who will not leave the properties that are due to be demolished in furtherance of redevelopment schemes. Before seeking such approval, the Council is required to consult with affected tenants. Approval from the Secretary of State will enable to Council to use Ground 10A of Schedule 2 to the Housing Act 1985. The paragraph states that the landlord must first:
- a. serve a notice in writing on all secure tenants whose dwellings are affected by the scheme, stating: the main features of the scheme (or the scheme as it will be after a proposed variation to it); that the Secretary of State's approval is to be sought; and the effect of such approval in relation to proceedings for possession of the dwellings;
 - b. inform the tenants that they have a specified period (which must be at least 28 days) in which to make representations to the landlord; and
 - c. consider any representations during that period.
- 5.2 Unlike a tenanted transfer, however, no formal ballot is required to be carried out. However, the Secretary of State, before giving his consent, will consider the following:
- a. the effect of the scheme on the extent and character of housing accommodation in the neighbourhood;
 - b. over what period of time it is proposed that the disposal and redevelopment will take place in accordance with the scheme;

- c. to what extent the scheme includes provision for housing provided under the scheme to be sold or let to existing tenants or persons nominated by the landlord;
- d. any representations made to him and, so far as they are brought to his notice, any representations made to the landlord.

5.3 The landlord, in this case, the Council, must not apply to the Secretary of State for approval of a scheme unless the statutory consultation procedure has been carried out.

Section 105 of the Housing Act (Legal)

5.4 Under section 105 of the Housing Act 1985, the Council as a local authority landlord has a duty to consult with those of its secure tenants who are likely to be substantially affected by a change in practice or policy relating to matters of housing management, which includes the management, maintenance and improvement of dwelling houses let by the Council under secure tenancies and the provision of services or amenities in connection with such dwelling houses. The consultation requirements under section 105 of the Housing Act 1985 must enable the secure tenants likely to be affected to be informed of the Council's proposals and to make their views known to the Council within a specified period. The Council, before making any decision on the matter, must consider any representations received during the specified consultation period.

6 Diversity Implications

6.1 South Kilburn is identified as a priority for increasing the supply of affordable, good quality housing within the Brent Borough Plan 2015-19. The Regeneration Strategy for Brent 2010-2030 identifies the transformational change of South Kilburn within strategic priority one. The area was previously a New Deal for Communities area and as such, all interventions are specifically targeted at those people who suffer disadvantage in society. South Kilburn Trust, through its widening participation, seek to find ways of involving and engaging with all local residents and particularly those who traditionally are 'hard to reach'. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the area are developed and delivered.

6.2 The new homes in South Kilburn are available to all secure tenants within the neighbourhood regardless of their ethnicity, nationality or national origin, age, gender, sexual orientation, disability, gender identity or expression or religion or belief. A proportion of new homes are designed to be wheelchair adaptable while the allocations process considers the housing needs of secure tenants in respect of issues that maybe derived from individuals' age, disability, gender reassignment, pregnancy and maternity status, marriage and civil partnership status, race, religion or belief, sex, sexual orientation, ethnicity, nationality or national origin. The potential impact of the recommendations relating to how the Council takes possession of properties occupied by secure tenants within blocks earmarked for redevelopment within Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) is considered in the Equality Analysis at Appendix 5. The equality analysis concludes that the proposal will have a positive impact on younger people, disabled people and people who are pregnant or have very young children and a neutral impact in relation to all the other equality characteristics.

7 Staffing/Accommodation Implications

- 7.1 There are no specific staffing or accommodation implications associated with the proposals contained within this report.

8 Public Services (Social Value) Act 2012

- 8.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 (**'the Social Value Act'**) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting procurement processes, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation.
- 8.2 The services being procured as part of the South Kilburn regeneration programme aim to improve the economic, social and environmental well-being of residents of South Kilburn and continue to deliver much needed new affordable homes to rehouse existing secure tenants of South Kilburn, hugely improving their living conditions and reconnecting the area to its surrounding neighbourhoods.

9 Background Papers

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| Appendix 1 | Plan A – Hereford House and Exeter Court Site Boundary
Plan B – 4 to 26 Stuart Road (even numbers only) Site Boundary |
| Appendix 2 | Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) responses to consultation |
| Appendix 3 | Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only) consultation covering letter, booklet and comments sheet |
| Appendix 4 | Final Allocation Policy for secure tenants with homes Hereford House, Exeter Court and 4 to 26 Stuart Road (even numbers only), South Kilburn |
| Appendix 5 | Equality Analysis |

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