



Cabinet
26 January 2015

**Report from the Strategic Director of
Regeneration and Growth**

For Action

Wards affected:
Kilburn

South Kilburn Regeneration Programme

1 Summary

- 1.1 This report sets out the approvals required by the Cabinet to: i) further progress the Gloucester House and Durham Court redevelopment site (being part of '**Phase 2b**' of the South Kilburn regeneration programme and as shown edged red on Plan A at Appendix 1); ii) further progress 4 to 26 Stuart Road and 5 to 9 Chippenham Gardens which includes the Kilburn Park Post Office (together defined as the '**Post Office Plus Site**' and as shown edged red on Plan B at Appendix 1); and iii) serve demolition notices on Phase 4A of the South Kilburn regeneration programme (being Craik Court, Austen House, Neville House, Winterleys and 113 to 128 Carlton House (all numbers inclusive)).

2 Recommendations

Gloucester House and Durham Court Recommendations

- 2.1 That the Cabinet authorise the Strategic Director of Regeneration & Growth to undertake a mini competition under the Greater London Authority (GLA) London Development Panel subject to confirmation by the Director of Legal & Procurement that participation in the GLA London Development Panel is legally permissible, to procure a developer partner for the redevelopment of Gloucester House and Durham Court and report back to the Cabinet to secure approval for award of the contract.
- 2.2 That the Cabinet agree to set rent levels for the affordable homes at Gloucester House and Durham Court once complete, at a rent equivalent to the Homes and Communities Agency Target Rent levels.

Post Office Plus Site

- 2.3 That the Cabinet note within the main body of this report that, on 19 December 2014, the Council entered into a collaboration agreement with Woodville Properties Limited, the landowner of 5 to 9 Chippenham Gardens which includes the Kilburn Park Post

Office, to bring forward the comprehensive redevelopment of 5 to 9 Chippenham Gardens which includes the Kilburn Park Post Office with the Council's adjoining land at 4 to 26 Stuart Road (together defined as the **Post Office Plus Site'**) as shown edged red on Plan B at Appendix 1.

- 2.4 That the Cabinet authorise the acquisition by agreement pursuant to section 227 of the Town and Country Planning Act 1990 and the making of a compulsory purchase order (CPO) pursuant to section 226 of the Town and Country Planning Act 1990 to acquire all non-Council interests in the area shown edged red on Plan B attached at Appendix 1 ('the **Post Office Plus Site CPO Land'**) being the Post Office Plus Site together with any new rights which may be required under section 13 of the Local Government (Miscellaneous) Provisions Act 1976 to facilitate the development of the Post Office Plus Site CPO Land in furtherance of the regeneration of the Post Office Plus Site (and such CPO being referred to in this report as 'the **Post Office Plus Site CPO'**).
- 2.5 That the Cabinet authorise the:
- 2.5.1 Submission of the Post Office Plus Site CPO, once made in respect of the Post Office Plus Site CPO Land, to the Secretary of State for confirmation whilst at the same time seeking to acquire the Post Office Plus Site CPO Land by private negotiated treaty on such terms as may be agreed by the Operational Director Property & Projects;
- 2.5.2 Operational Director Property & Projects, on behalf of the Council, to enter into agreements with and give undertakings to the holders of all interests in the Post Office Plus Site CPO Land or parties otherwise affected where such agreements or undertakings are appropriate. These agreements or undertakings will set out the terms for the withdrawal of the objections to the confirmation of the Post Office Plus Site CPO and may include granting rights over or offering back any part of the Post Office Plus Site CPO Land which is not required by the Council following completion of the development.
- 2.5.3 Making of one or more general vesting declarations or the service of Notices to Treat and Notices of Entry (as appropriate) pursuant to the Compulsory Purchase (Vesting Declarations) Act 1981 and the Compulsory Purchase Act 1965 respectively should the Post Office Plus Site CPO be confirmed by the Secretary of State or otherwise in order to gain possession of the Post Office Plus Site;
- 2.5.4 Serving of all requisite notices on the holders of the Post Office Plus Site CPO Land relating to the making, confirmation and implementation of the Post Office Plus Site CPO;
- 2.5.5 Operational Director Property & Projects to remove from the Post Office Plus Site CPO any plot (or any interest therein) no longer required to be acquired compulsorily for the Post Office Plus Site redevelopment to proceed and to amend the interest scheduled in the Post Office Plus Site CPO (if so advised) and to alter the nature of the proposed acquisition from an acquisition of existing property interests to an acquisition of new rights (if so advised);
- 2.5.6 Operational Director Property & Projects within the defined boundary of the Post Office Plus Site CPO Land, to acquire land and/or new rights by agreement either in advance of the confirmation of compulsory purchase powers, if so advised, or following the confirmation of compulsory powers by the Secretary of State;

2.5.7 Operational Director Property & Projects, if so advised, to seek to acquire for the Council by agreement any interest in land wholly or partly within the boundary of the Post Office Plus Site CPO Land for which a valid blight notice has been served.

- 2.6 That the Cabinet agree to set rent levels for the affordable units at the Post Office Plus Site once complete, at a rent equivalent to Homes and Communities Agency (HCA) Target Rent levels.
- 2.7 That the Cabinet agree to proceed with securing vacant possession of the residential and non-residential properties within the Post Office Plus Site through negotiation and private treaty and then, if necessary, via possession proceedings based on Ground 10A of Schedule 2 to the Housing Act 1985 ('**Ground 10A**') in relation to the secure tenants and then CPO of all interests remaining following the confirmation of the CPO.
- 2.8 That the Cabinet authorise the Operational Director of Property and Projects (where the Operational Director of Property and Projects in conjunction with the Chief Finance Officer considers applicable) to acquire third party interests and rights within the Post Office Plus Site as necessary to progress the project by way of negotiation.
- 2.9 That the Cabinet authorise the Strategic Director of Regeneration and Growth to seek Secretary of State's consent to appropriate for planning purposes all interests in the Post Office Plus Site.
- 2.10 That the Cabinet authorise the serving of demolition notices and the suspension of secure tenants' Rights to Buy in relation to secure tenancies in 4 to 26 Stuart Road and authorise the Strategic Director of Regeneration and Growth to issue all and any notices required to be issued in connection with such demolition.

Phase 4A Demolition Notices

- 2.11 That the Cabinet authorise the serving of demolition notices and the suspension of secure tenants' Rights to Buy in relation to secure tenancies in blocks Craik Court, Austen House, Neville House, Winterleys and 113 to 128 Carlton House (all numbers inclusive) (together defined as '**Phase 4A**' of the South Kilburn regeneration programme) and authorise the Strategic Director of Regeneration and Growth to issue all and any notices required to be issued in connection with such demolition.

3 Detail

Gloucester House and Durham Court

- 3.1 The redevelopment of Gloucester House and Durham Court site involves:
 - a. the demolition of Gloucester and Durham and the development of 236 new homes for a mix of market sale (134 new homes) and affordable social rented (102 new homes) accommodation;
 - b. the delivery of an energy centre for the South Kilburn Neighbourhood Heating System;
 - c. the creation of public and private communal amenity spaces and replacement play space;
 - d. restoring a traditional network of connected streets and street frontages;
 - e. the creation of basement car parking; and

f. high quality design of new homes with good internal space standards and public realm with secure cycle storage and refuse and recycling storage facilities.

- 3.2 A detailed planning application for the redevelopment of the site as outlined above was submitted on 9 May 2014, resolution to grant planning permission was given on 20 August 2014 and a planning decision notice was issued on 23 September 2014.
- 3.3 On 9 May 2014 a CPO for land surrounding and including Gloucester House and Durham Court was made. The Secretary of State has decided to hold a public inquiry into the CPO on 31 March and 1 April 2015.
- 3.4 With planning permission secured for the redevelopment of Gloucester House and Durham Court, subject to the approval of the Cabinet (and confirmation by the Director of Legal & Procurement that participation in the GLA London Development Panel is legally permissible), officers intend to progress the procurement of a developer partner through a mini competition under the GLA London Development Panel. If approved, the tender documents will be sent out in spring 2015. Cabinet approval will be sought before the contract is awarded. Officers intend to have a preferred developer partner in place to commence works on the Gloucester House and Durham Court redevelopment site once vacant possession has been achieved. Notwithstanding the CPO public inquiry, it is currently anticipated vacant possession will be achieved in summer 2015.

Target Rents

- 3.5 On 18 July 2011 the Executive agreed to adopt a rent equivalent to the HCA Target Rent levels for affordable developments in South Kilburn until Borough wide rent levels were reviewed. The 18 July 2011 Executive report set out the background to the rent level change and concluded that setting HCA Target Rent levels on phases 2 and 3 and subsequent phases is the only realistic way of affording the South Kilburn regeneration programme and avoiding the requirement for large amounts of grant that would not in themselves be certain of being awarded and, if awarded, would require rents to be increased to the new 'affordable rent' levels.
- 3.6 The Target Rent regime controls rent levels in the social sector. Target Rents are calculated by a formula, the basis of which is set out below. Increases in Target Rent levels are also pegged to inflation and subject to an overall cap.
- 30% of a property's Target Rent is based on relative property values compared to the national average
 - 70% of a property's Target Rent is based on relative local earnings compared to the national average
 - A bedroom factor is then applied so that, other things being equal, smaller properties have lower rents
- 3.7 Between 2010/11 and 2014/15 increases in Target Rent levels and caps have been linked to RPI as set out in the tables below:

Year	Guideline Limit	All Items RPI changes at Previous September	Guideline Limit for rent changes	Maximum increase to individual rent
1/4/2014 to 31/3/2015	RPI + 0.5%	+3.2%	+3.7%	+3.7% plus £2

Year	Guideline Limit	All Items RPI changes at Previous September	Guideline Limit for rent changes	Maximum increase to individual rent
				per week
1/4/2013 to 31/03/2014	RPI + 0.5%	+2.6%	+3.1%	+3.1 plus £2 per week
1/4/2012 to 31/3/2013	RPI + 0.5%	+5.6%	+6.1%	+6.1% plus £2 per week
1/4/2011 to 31/3/2012	RPI + 0.5%	+4.6%	+5.1%	+ 5.1% plus £2 per week
1/4/2010 to 31/3/2011	RPI + 0.5%	-1.4%	-0.9%	-0.9% plus 2 per week
Year	Rent Cap Change limit		All items RPI change at the previous September	Change in rent cap Levels
1/4/2014 to 31/3/2015	RPI + 1.0%		+3.2%	+4.2%
1/4/2013 to 31/3/2014	RPI + 1.0%		+2.6%	+3.6%
1/4/2012 to 31/3/2013	RPI + 1.0%		+ 5.6%	+6.6%
1/4/2011 to 31/3/2012	RPI + 1.0%		+4.6%	+5.6%
1/4/2010 to 31/3/2011	PRI+ 1.0%		-1.4%	-0.4%

Last year Government introduced a new rent policy, and for the ten years 2015/16 – 2024/25, increases in rents in the social sector will be limited to CPI +1% and increases in rent caps will be limited to CPI + 1.5%.

- 3.8 It should be noted that new social rented properties being developed in South Kilburn have a higher capital value than existing Council properties and therefore will attract a higher Target Rent under the formula outlined. Inflationary rent increases on these new properties, whilst governed by the same rent policy and same CPI +1% limit, will therefore also be higher in monetary terms (i.e. in pounds sterling). This is because 1) inflation will be applied to a higher base Target Rent and 2) the Council will sometimes (and more commonly than the Registered Providers managing the new properties in South Kilburn) not apply a full inflationary increase to rents across its own housing stock.
- 3.9 In line with the Council's commitment to maintaining current HCA Target Rent levels in regeneration areas it is recommended that the Cabinet agree to set the rent levels for the affordable units at Gloucester House and Durham Court and the Post Office Plus Site once complete, at rents equivalent to the HCA Target Rent levels.

Post Office Plus Site

Background

- 3.10 On 18 July 2011 the Executive authorised incorporating the redevelopment of 4 to 26 Stuart Road within Phase 2 of the South Kilburn regeneration programme. On 22 April 2013 the Executive noted officers' intention to progress discussions with the landowner of 5 to 9 Chippenham Gardens which includes the Kilburn Park Post Office to ascertain if the Council could enter into a collaboration agreement to comprehensively redevelop the Post Office Plus Site to deliver a high quality mixed use residential led development.
- 3.11 On 2 May 2013 Officers met with Woodville Properties Limited, the landowner of 5 to 9 Chippenham Gardens which includes the Kilburn Park Post Office. Woodville Properties Limited confirmed their 'in principle' agreement to enter into a collaboration agreement with the Council to bring forward the comprehensive redevelopment of the Post Office Plus Site.
- 3.12 Officers then commissioned Grid Architects Limited to undertake a RIBA Stage 1 Feasibility Study of the Post Office Plus Site to inform assumptions within the collaboration agreement. Subsequently, Officers undertook a procurement exercise to procure a full architectural design team to prepare a full planning application (RIBA Stage 3) for the comprehensive redevelopment of the Post Office Plus Site.
- 3.13 Further, on 11 November 2013, the Executive delegated authority to the Strategic Director of Regeneration and Growth, in conjunction with the Borough Solicitor and the Chief Finance Officer, to enter into a collaboration agreement with Woodville Properties Limited to bring forward a comprehensive redevelopment of the Post Office Plus Site. Further recommendations in relation to the appointment of the preferred design team, developing an allocation policy for secure tenants with homes in 4 to 26 Stuart Road and undertaking statutory consultation with such secure tenants were authorised, *subject to* entering into a collaboration agreement with Woodville Properties Limited in respect of the Post Office Plus Site.
- 3.14 On the same date the Executive also authorised the removal of 4 to 26 Stuart Road (as shown edged red on Plan C at Appendix 1) from the South Kilburn regeneration programme *if* the Strategic Director of Regeneration and Growth (in conjunction with Borough Solicitor and Chief Finance Officer) is unable to agree and enter into a collaboration agreement with Woodville Properties Limited in respect of the Post Office Plus Site.

Collaboration Agreement Progress Update

- 3.15 On 22 January 2014, 16 May 2014, 26 June 2014, 26 August 2014 and 12 December 2014 officers wrote to Woodville Properties Limited regarding entering into a collaboration agreement with the Council to progress a joint redevelopment of the Post Office Plus Site.
- 3.16 On 1 April 2014 and 23 September 2014 officers met with Woodville Properties Limited and their representatives to discuss the terms of the collaboration agreement between Woodville Properties Limited and the Council and to try and encourage Woodville Properties to expeditiously progress the negotiation and exchange of the collaboration agreement. A response was received from Woodville Properties Limited in response to the letter of 12 December 2014 and the Council's solicitors issued engrossed forms of the collaboration agreement for signature on 17 December 2014. The collaboration agreement was exchanged on 19 December 2014.
- 3.17 Notwithstanding the fact that the collaboration agreement has been exchanged, given the lack of engagement to date and failure to meet deadlines set for response, the Council is concerned that Woodville Properties Limited may be unable to meet the

milestones set out in the Collaboration Agreement and may not enter into an agreement with its tenant to provide vacant possession by the date the Council requires. Therefore, the Council is seeking authority to include 5 to 9 Chippenham Gardens (which includes Kilburn Park Post Office) within the Post Office Plus Site CPO, in the event that the collaboration agreement is terminated. In such an instance, the Council would acquire 5 to 9 Chippenham Gardens, including Kilburn Park Post Office, from Woodville Properties Limited to enable the Council to bring forward the redevelopment of the Post Office Plus Site independently. The Council would prefer such an acquisition be made by agreement but nevertheless 5 to 9 Chippenham Gardens, including the Kilburn Park Post Office, has been included within the Post Office Plus Site CPO Land for approval to facilitate the comprehensive redevelopment of the Post Office Plus Site to deliver much needed new homes and improve the living conditions of existing secure tenants living within homes due for demolition.

4 to 26 Stuart Road

- 3.18 On 11 November 2013 the Executive authorised the removal of 4 to 26 Stuart Road from the South Kilburn regeneration programme thus enabling 4 to 26 Stuart Road to be reincorporated into Brent Housing Partnership's Decent Homes programme if the Strategic Director of Regeneration and Growth (in conjunction with Borough Solicitor and Chief Finance Officer) is unable to agree and enter into a collaboration agreement with Woodville Properties Limited.
- 3.19 As outlined in paragraph 3.11 above, the Collaboration Agreement was exchanged on 19 December 2014. In the instance where Woodville Properties Limited is unable to meet the milestones in the Collaboration Agreement and/or the Collaboration Agreement is terminated, the Council intends to bring forward the redevelopment of the Post Office Plus Site independently to deliver much needed new homes. This would mean that 4 to 26 Stuart Road would be brought forward for redevelopment in any event and will not be reincorporated into Brent Housing Partnership's Decent Homes programme. The reason for this is twofold: i) the cost to bring the eight properties occupied by secure tenants within 4 to 26 Stuart Road to Decent Homes standard would be approximately £520,000, for which there is no identified budget and; ii) the cost of repair and refurbishment of 4 to 26 Stuart Road under the Decent Homes programme would not address the fundamental inadequacies of the homes within this block.

Demolition Notices

- 3.20 On 15 October 2012 and 11 February 2013 the Executive authorised the serving of demolition notices and the suspension of secure tenants' Right to Buy in relation to secure tenancies on Phase 3 (being Peel Precinct, 8 to 14 Neville Close (all numbers inclusive), 97 to 112 Carlton House (all numbers inclusive), Hereford House and Exeter Court). The Council is responsible for buying back leasehold properties due for demolition as part of the South Kilburn regeneration programme in preparation for redevelopment. To prevent increased leaseholder acquisition costs, authority is now being sought to serve demolition notices and suspension of secure tenants' Right to Buy in relation to secure tenancies in 4 to 26 Stuart Road (being part of the Post Office Plus Site) and Phase 4A of the South Kilburn regeneration programme.

4 Financial Implications

Gloucester House and Durham Court – Procurement of Developer Partner and Site Disposal

- 4.1 The financial model for the South Kilburn regeneration programme is to be self financing within the funding envelope generated from on-going disposals, which are ring-fenced so all the capital receipts generated are reinvested back into the South Kilburn regeneration programme, to enable the rolling regeneration programme to continue to deliver much needed new homes. The capital receipt for the Gloucester House and Durham Court redevelopment site, when received, will be reinvested back into the South Kilburn regeneration programme to bring forward future phases of the regeneration programme.

Demolition Notices

- 4.2 The serving of demolition notices on the affected residents can be undertaken within existing resources so does not have an additional financial implication.

Leaseholder Acquisitions

- 4.3 Members are referred to the recommendation set out in paragraph 2.8 above. The Council intends to seek to purchase by way of negotiation leasehold properties that are located within the Post Office Plus Site. The approved South Kilburn regeneration programme budget for 2014/19 includes a provision up to £1.45m for CPO and land assembly costs for the Post Office Plus Site. If the actual costs of acquisitions are in excess of the approved budget, additional costs will have to be met from within the overall funding envelope available to the South Kilburn regeneration programme.

5 Legal Implications

Gloucester House and Durham Court

- 5.1 Officers consider that the development of Gloucester House and Durham Court is best achieved through the use of a development agreement with a third party. As a result of rulings in the European Court of Justice, if the Council utilises a development agreement in respect of the land, it will need to undertake some form of procurement process which is compliant with EU law in order to identify a partner to carry out the development. The Court of Justice has ruled that development agreements cannot be viewed as merely part of a land transfer, because they impose detailed requirements as to the development to be constructed and are therefore a form of procurement of works.
- 5.2 The intention is to identify a developer partner using a mini-competition under the GLA London Development Panel for the Gloucester House and Durham Court redevelopment site. The GLA London Development Panel is a panel established by the GLA in accordance with the Public Contracts Regulations 2006 (the EU Regulations) and signed up to by the Council.
- 5.3 The EU Regulations not only regulate the establishment of the framework agreement, they also prescribe rules and controls for their use. Following the establishment of the GLA London Development Panel Framework, development agreements may be called off under it without the need for them to be separately advertised and procured through a full EU process. There are however strict rules that apply to the call-off process to ensure fairness and transparency and these have been incorporated into the call-off procedure for the GLA London Development Panel.
- 5.4 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established pursuant to EU Procurement Regulations by another contracting authority, where call off under the

framework agreement is recommended by the relevant Chief Officer, to include confirmation that there is sufficient budgetary provision for the proposed call-off. However, this is subject to the Director of Legal & Procurement advising that participation in the framework agreement is legally permissible. Confirmation that participation in the framework agreement is legally permissible will be sought from the Director of Legal & Procurement prior to undertaking a mini competition under the GLA London Development Panel.

- 5.5 The award of a development agreement for the appointment of developer partners is also subject to the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts (the value of the Gloucester House and Durham Court development agreement is likely to be such that it is classed as a High Value contract). As a result, once a developer partner has been identified following a mini-competition under the GLA London Development Framework, Cabinet approval to award and enter into the development agreement will be required.

Leaseholder Acquisitions

- 5.6 Members are referred to the recommendation set out in paragraph 2.7 above. The Council intends to seek to purchase by way of negotiation leasehold properties that are located within the Post Office Plus Site. The Operational Director of Property and Projects has authority under paragraph 4.3 of Part 4 of the Council's Constitution to acquire on behalf of the Council properties up to a value of £250k each.

Compulsory Purchase Order

- 5.7 The Council has power to make a compulsory purchase order under section 226(1)(a) of the Town and Country Planning Act 1990 if it thinks that the acquisition will *"facilitate the carrying out of development, redevelopment or improvement or in relation to the land"*. Under section 226(1)(A) the Council must not exercise the power under sub paragraph (1)(a) unless it thinks that the development, redevelopment or improvement is likely to contribute to the achievement of any one or more of the following objects –
(a) the promotion or improvement of the economic wellbeing of their area;
(b) the promotion or improvement of the social wellbeing of their area;
(c) the promotion or improvement of the environmental wellbeing of their area.
- 5.8 Compulsory purchase orders must only be made if the Council is satisfied that there is a compelling case in the public interest to do so. Paragraph 17 of Part 1 of the Memorandum to ODPM Circular 06/04 (*Compulsory Purchase and the Crichel Down Rules*) states:
"A compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected. Regard should be had, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention."
- 5.9 For the reasons set out in this report it is considered that there is such a compelling case for the compulsory acquisition of properties within the Post Office Plus Site and that the public interest requires that compulsory purchase orders be made in order to carry through the necessary redevelopment of the Post Office Plus Site CPO Land.
- 5.10 Further, there should be no impediments to the eventual implementation of a compulsory purchase order. Paragraphs 22 and 23 of Part 1 of the Memorandum to ODPM Circular 06/04 advise (in part):

"In demonstrating that there is a reasonable prospect of the scheme going ahead, the acquiring authority will also need to be able to show that it is unlikely to be blocked by any impediments to implementation. In addition to potential financial impediments, physical and legal factors need to be taken into account. These include the programming of any infrastructure accommodation works or remedial work which may be required, and any need for planning permission or other consent or licence.

"Where planning permission will be required for the scheme, and has not been granted, there should be no obvious reason why it might be withheld."

- 5.11 The Council will need to comply with the procedures for making and confirming a compulsory purchase order as set out in the Acquisition of Land Act 1981, the Compulsory Purchase of Land Regulations 2004 and the Compulsory Purchase of Land (Vesting Declarations) Regulations 1990.
- 5.12 The effect of the procedure is that a compulsory purchase order cannot be acted upon until sufficient notice has been given to any lessees, tenants, occupiers, and all persons interested in the Post Office Plus Site. If any duly made objections are not withdrawn, the Secretary of State must hold an Inquiry and consider the conclusions and recommendations of the Inspector before confirming the Order. Thus, in the event that the Council is unable to acquire any interests within the Post Office Plus Site by agreement, the Council will not be in a position to bring forward the Post Office Plus Site for redevelopment until the order has been confirmed.
- 5.13 Cabinet will note that there will be sufficient funds available to meet the compensation costs for the acquisition of the Post Office Plus Site CPO Land through funds secured from previous and future land receipts. Officers consider that there is a reasonable prospect of the redevelopment of the Post Office Plus Site going ahead, subject to continuation of the South Kilburn regeneration programme. Whilst planning permission has not been granted for the development, it is considered that there is no obvious reason why it might be withheld. Accordingly, it is considered that there are unlikely to be any impediments to implementation for the Post Office Plus Site CPO for the Post Office Plus Site CPO Land.
- 5.14 In the event that a CPO for the Post Office Plus Site CPO Land is made, there may be blight implications for those who claim to be adversely affected by the development, which may involve the Council incurring additional cost in that a person affected by blight who is unable to sell his or her property can require the Council to acquire that property.
- 5.15 It is necessary to consider the human rights implications of making CPOs. Such consideration is set out within paragraphs 5.16 to 5.18 below.

Human Rights Act 1998

- 5.16 The Human Rights Act 1998 places direct obligations on public bodies such as the Council to demonstrate that the use of compulsory purchase powers is in the public interest, and the use of such powers is proportionate to the ends being pursued.
- 5.17 It is acknowledged that the compulsory acquisition of the Post Office Plus Site CPO Land will amount to an interference with the human rights of those with an interest in the Post Office Plus Site CPO Land. These include rights under Article 1 of the First Protocol of the European Convention on Human Rights ("ECHR") (which provides that every natural or legal person is entitled to peaceful enjoyment of his possessions) and

Article 8 of the ECHR (which provides that everyone has the right to respect for his private and family life, his home and his correspondence).

- 5.18 In this instance, Officers are of the view that there is a compelling case in the public interest for compulsory acquisition of the various interests referred to in this report which outweigh such rights, and therefore the use of compulsory purchase powers in this area is proportionate. Without the use of these powers, the much-needed regeneration and redevelopment of this area may not be achievable, as there is very little possibility that all of the land necessary to deliver the redevelopment will be made available within a reasonable timescale.

Demolition Notices

- 5.19 Initial Demolition Notices need to be served on secure tenants in accordance with the provisions of Section 138A and Schedule 5A of the Housing Act 1985 as amended by the Housing Act 2004 to prevent the Council from having to complete Right to Buy sales. Schedule 5A sets out what must be included in the Initial Demolition Notice, including the intention to demolish, the reasons for demolition and identifying the period within which the landlord intends to demolish. The period set out in the notice to carry out the demolition works must be not more than reasonable to carry out the proposed demolition of the relevant properties or in any case not expire more than seven years after the date of service of the notice.

6 Diversity Implications

- 6.1 South Kilburn is identified as a priority for driving economic opportunity and regeneration within Brent – Creating Opportunities, Improving Lives (Brent Borough Plan 2013-14). 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 currently living in properties due for demolition as part of the South Kilburn regeneration programme 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 the Post Office Plus Site is considered in the Equality Analysis at Appendix 2. 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 the services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement; and whether the council should undertake consultation. This duty applies to the procurement of the proposed contract.
- 8.2 The services being procured aim to improve the economic, social and environmental well-being of residents of South Kilburn through the disposal of the Gloucester House and Durham Court redevelopment site via the GLA London Development Panel to deliver 236 new homes (134 private and 102 affordable (social rent)) which will hugely improving living conditions of residents of South Kilburn. The developer, once appointed, will be required to submit and gain approval for an employment and training action plan to deliver education links, apprenticeships and local labour outcomes in accordance with a Section 106 agreement for Gloucester House and Durham Court. The Gloucester House and Durham Court redevelopment site will also deliver an energy centre for the South Kilburn Neighbourhood Decentralised Heating System, which envisages delivering lower energy costs for residents (based on average consumption use) to contribute towards the improvement of the economic well-being of residents of South Kilburn. The Gloucester House and Durham Court redevelopment site will also provide a replacement public open space and general amenity space for the use and enjoyment of residents of South Kilburn.
- 8.3 Officers will also have regard to the Social Value Act in its procurement of a developer partner and seek to implement Social Value considerations where permitted by the GLA London Development Panel.

9 Background Papers

Report to the Executive on 11 November 2013

Appendix 1 Plan A - Gloucester House and Durham Court Redevelopment Site
 Plan B - Post Office Plus Site
 Plan C – 4 to 26 Stuart Road

Appendix 2 Equality Analysis

10 Contact Officers

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