

**THE LONDON BOROUGH OF SOUTHWARK (AYLESBURY ESTATE 1B/1C) COMPULSORY
PURCHASE ORDER 2014**

STATEMENT OF REASONS

1 INTRODUCTION AND SUMMARY

- 1.1 The London Borough of Southwark ("the Council") has made an order pursuant to Section 226(1)(a) of the Town and Country Planning Act 1990 to acquire land, property and other interests, except interests owned by the acquiring authority, in the land known as Sites 1b/1c on the Aylesbury Estate, bounded by Albany Road to the south, by the new development known as Albany Place to the west, by Westmoreland Road to the north and Portland Street to the east, which is shown edged red and coloured yellow, orange, pink and blue on the plan attached ("the Order Land").
- 1.2 The Order Land comprises land and buildings which are part of the Aylesbury Estate London SE17 ("the Estate"). The buildings include seven partially linked blocks of flats and maisonettes known as Charridge, Chiltern and Bradenham, and a further self contained block known as Arklow House. These blocks are identified on the Order Map and on the location plan appended to this Statement of Reasons at SR1. It is identified as Sites 1b/1c within Phase 1 in the adopted Area Action Plan development plan document for the Aylesbury Estate dated January 2010 and appended at SR2 ("the AAAP") which is referred to further in 1.5 below. The Council has to acquire the Order Land to enable the redevelopment and regeneration of this part of the Estate.
- 1.3 The Council holds the freehold title to all of the Order Land. However, there are outstanding leasehold and other interests that have to be acquired to bring the Order Land within the control of the Council and to allow redevelopment to take place. The outstanding interests lie within the Order Land.

The Order Land

- 1.4 The Order Land is in the Walworth neighbourhood, a historic part of London. It has been an important centre of market trading since the 16th century when farmers rested their livestock on Walworth Common before continuing to the City of London. This trading tradition continues today through the shops along the Walworth Road and along Westmoreland Road, to the north of the Order Land.
- 1.5 The Aylesbury Estate was constructed between 1966 and 1977 and consisted of a total of around 2,750 units on 28.5 hectares. The Estate replaced Victorian houses and factories, many of which had been damaged during the second world war. It was built by the Council to provide housing accommodation for rent pursuant to its statutory housing function.

- 1.6 The Order Land forms part of the Aylesbury Estate Regeneration Area and falls within the area covered by the AAAP.
- 1.7 The Order Land comprises seven residential blocks ranging from four to fourteen storeys with a total of 566 residential units, ground floor garages, commercial and office space, together with open grassed space and a games court. The latter two areas are housing amenity land.
- 1.8 Immediately adjoining the Order Land there is a hostel known as Ellison House which is leased to the National Offender Management Service (an office of the Ministry of Justice) and used as accommodation for men who have recently been released from prison. This is Crown Land and as such has not been included within the Order Land.
- 1.9 The Council has secured vacant possession of 524 of the residential units. There remain 22 leasehold interests and 12 secure tenants. In addition, there are 8 properties which are being used for temporary accommodation purposes, in accordance with the Council's duty to provide temporary accommodation contained within the Housing Act 1996 Part VII (as amended by the Homelessness Act 2002).
- 1.10 There are no highways on the Order Land. Any roadways or paths are estate roads and paths, and it is not intended that any stopping up orders will be required with the exception of the footbridge over Portland Street which can be seen on the location plan (SR1).
- 1.11 The Order Land is no longer in commercial use other than the infrastructure of statutory utilities and some telecommunications infrastructure on the roof of the block known as Chiltern. Part of this block contains former Council offices but these are no longer used. The lower floors of the block known as Bradenham were also used for offices but these are also vacant.
- 1.12 The Estate as a whole was home to over 7,500 people (SR2 - AAAP paragraph 1.2.1) and includes several schools, offices, community buildings and some shops. As noted in the AAAP (SR2 paragraph 1.2.5) the Estate is "amongst the most deprived areas in England. The built fabric is dated and cannot be retained in the long term because of deterioration in quality. The existing built environment goes against good urban design principles and many elements of its layout such as the raised walkways contribute to crime and safety issues." The AAAP Inspector's Report found the urban form of the area which includes the Order Land was 'characterised by monolithic blocks of flats of up to 14 storeys accessed largely by elevated walkways... at street level the buildings present a forbidding and unkempt appearance.'
- 1.13 In 1999 local residents started lobbying the Council to regenerate the Estate. The Council considered various options including refurbishment to respond to the concerns expressed by residents. Refurbishment options were not pursued on value for money and feasibility grounds, as a result of the complexity and magnitude of the works required.

- 1.14 The Council resolved to rebuild the estate in 2005 (SR3 - Report and minutes of Council Executive). Among other sites in the Council's portfolio, the Estate as a whole and the Order Land in particular are seen as a very high priority and have cross-party political support. The redevelopment of the estate is also seen as a pan London priority by the Greater London Authority ("GLA").
- 1.15 The Council adopted the AAAP in January 2010 following its examination in public. It was adopted with modifications to take account of the recommendations of the Examination Inspector. The AAAP was prepared by a multi-disciplinary team and adopted following a long period of consultation with residents and stakeholders in the wider community. A fuller description of the consultation process can be found at paragraph 1.3 of and appendix 1 to the AAAP (SR2). As well as setting out a broad vision for the area the AAAP includes a number of detailed policies and requirements such as density, housing mix and tenure. These policies reflect the overall aspiration for a balanced community where people would choose to live. The policies set out in the AAAP were supported by the majority (82%) of the residents who attended the final exhibition of the plans (SR2 - AAAP foreword and appendix 1, paragraph A1.1.3). The AAAP identified and labelled a number of sites for regeneration on the Estate and the site in which the Order Land is located was labelled Sites 1b and 1c (SR2 - AAAP page 27, figure 6).
- 1.16 The Council has recently completed a major investment programme in local schools, with three complete new builds on the Estate: Walworth Academy was completed in 2010; Michael Faraday Primary School was completed in 2011 and Aylesbury New School (a brand new secondary school for the area) was completed in August 2012. To the south of the Estate a major investment programme has been carried out at Burgess Park, on the opposite side of Albany Road and overlooked by the Order Land, which was completed in summer 2012.
- 1.17 The Council identified the first two sites to come forward for redevelopment as Site 1a and Site 7, both of which are shown on the plan at SR1.
- 1.18 In 2008 the Council entered into a Development Agreement with London & Quadrant Housing Trust ("L&Q"), one of the UK's largest registered social landlords, in relation to Site 1a in the South Western corner of the Estate, shown on the plan at SR1. The development includes 261 homes (51% affordable), retail space and a community resource centre. The first part of Phase 1a, including a resource centre and 52 homes was completed early in 2011; the remainder of the phase is now complete.
- 1.19 A Compulsory Purchase Order was made and confirmed under section 14a of the Acquisition of Land Act 1981 (ie confirmed by the Council in the absence of any objections) for the land associated with Site 1a in this first Phase of development in January 2010. The development of Site 1a is considered to have been very successful with the properties winning several

- design awards. The target rented units and some of the intermediate units in Site 1a have been occupied by residents from elsewhere on the Estate.
- 1.20 The Council's Executive resolved on 9 February 2010 (Executive report and minutes at SR4) to make necessary Compulsory Purchase Orders to acquire interests in land within the Estate, including Site 7 the Order Land, for the purpose of securing the regeneration of the Aylesbury Estate in accordance with the provisions of the AAAP.
- 1.21 In July 2012 the Council made a Compulsory Purchase Order in respect of the land known as Site 7 in the AAAP. The Order was confirmed in May 2013 (copy CPO, inspector's report and decision letter at SR5) and L&Q has commenced construction on this Site. The proposed development on this Site comprises 147 homes of which 58% will be affordable. The development is projected to be completed in 2015/16 and is so far proceeding as planned. Demolition of the existing blocks is almost completed with construction of the new development about to commence. Several of the residents of Site 7 have relocated to new homes on Site 1a.
- 1.22 On 18 March 2014 the Council's Cabinet made a further resolution to make a Compulsory Purchase Order in respect of the Order Land (SR6 - Cabinet report and minutes). The purpose of that further resolution was to refresh the existing authority from 2010 to reflect progress with the regeneration of the Estate as a whole, and a continuing desire to proceed. That resolution contained additional background information to reflect the passage of time since 2010.
- 1.23 In May 2012 the Council commenced a European Union ("EU") procurement exercise to select a development partner for the whole of the Estate (apart from Sites 1a and 7). An advertisement was placed in the Official Journal of the EU in September 2012 and the ensuing procurement process has resulted in the selection of Notting Hill Housing Trust ("Notting Hill") as the Council's preferred development partner. The Council's Cabinet resolved on 28 January 2014 to appoint Notting Hill (SR14 – Cabinet report and minutes). Subsequently the Council and Notting Hill entered into a development partnership agreement ("the Agreement") on 28 April 2014 which sets out the basis on which Notting Hill will proceed with the redevelopment of the Estate. The terms of the Agreement provide that Notting Hill will commence their redevelopment by submitting a planning application in autumn 2014 for the demolition of the existing buildings on the Order Land and the construction of new residential and community buildings. In order to implement planning permission on the Order Land, vacant possession is required, and the Council is obliged under the terms of the Agreement to provide vacant possession of the Order Land, using compulsory purchase powers if necessary.
- 1.24 The Council has been actively working to acquire the interests in the Order Land by agreement rather than by compulsory acquisition since 2008. Re-housing of both tenants and

leaseholders and negotiations to acquire all the leasehold interests have been continuing for the past six years and there has been regular contact with and support for all residents. Over 90% of the units are now vacant. However, the Council considers that without the use of compulsory purchase powers the redevelopment and regeneration of the Order Land will not take place. The development of the Order Land is seen as key to maintaining continuity following completion of the development of Site 1a and while works are still ongoing on Site 7, and it is a requirement of the Agreement.

- 1.25 When engaging with potential development partners, the Council was clear that certain assurances were required so that once a partner had been selected there would be certainty that redevelopment would proceed. Potential development partners were required to demonstrate clearly that they could access adequate funding for redevelopment of the Order Land. To validate this, the Council required written confirmation from bidders regarding funding sources and availability. As part of their bid Notting Hill has provided such confirmation and have made a commitment that funds are available for the redevelopment of the Order Land.

Development proposals

- 1.26 The Council intends to bring forward the redevelopment of the Order Land pursuant to the Agreement by way of a land sale, conditional on Notting Hill obtaining planning consent for a residential scheme, such consent to be informed by and to be consistent with the policies set out in the AAAP.
- 1.27 As part of the four stage procurement process to select a development partner for the Estate, the Council evaluated proposals against a number of qualitative criteria such as the proposed scheme of development, specific design issues, planning matters, delivery of community and economic benefits and a the ability to demonstrate the delivery of a scheme of a similar size and complexity.
- 1.28 The regeneration of the Estate is projected to last approximately 20 years and deliver over 3,500 new homes. Bidders were therefore asked to produce a high level master plan for the whole Estate. However, it was not reasonable to expect bidders to produce detailed designs and financial assessments for the whole Estate. Bidders were asked to present very detailed proposals in respect of the Order Land which was the first site they would be expected to develop following contract award.
- 1.29 Notting Hill's design proposals are of a high standard as are their proposals in terms of implementation. Their detailed proposals for the Order Land meet all the Council's requirements as does their programme for the delivery of the regeneration which is clear and robust.

- 1.30 A detailed quantitative assessment of the commercial robustness of the potential development partners and their proposals was also undertaken. All bidders completed a scheme-specific financial model with supporting accommodation schedule. This has been used to assess the viability of the proposals and has allowed the Council to select a development partner and scheme that offers a high level of certainty in terms of delivery, although it should be noted that development of the Order Land is not conditional on a viability test.
- 1.31 Notting Hill was successful in its bid and the Agreement was signed on 28 April 2014.
- 1.32 The proposals for the Order Land submitted by Notting Hill during the procurement process, and to form the basis of the planning application for the Order Land, provide an increase in the number of good quality affordable homes. The Order Land currently has 556 dwellings. The proposals include 820 dwellings of which 308 are at target rents (also known as social rents), 92 are intermediate (affordable homes available as shared ownership or shared equity) and 370 are private; 50 are extra care units for older residents with a high level of need in terms of care which are a mix of target rent, affordable rent and intermediate. This level of development is supported by both national and local policies including the AAAP.

Planning

- 1.33 Any proposed scheme for the Order Land should accord with the development plan unless material considerations indicate otherwise. The development plan includes the AAAP, the Core Strategy 2011, the saved policies of the Southwark Plan 2007 and the London Plan 2011 and the Revised Early Minor Alterations to the London Plan 2013 which recognise the importance of regeneration for securing further investment opportunities within the borough and the social and economic benefits this offers.
- 1.34 The Council believes, following detailed pre-application review of the proposals brought forward by Notting Hill, that the development proposals for the Order Land are materially in accordance with these policies and as such there are good prospects of planning permission being granted lawfully and in accordance with the development plan.

2 THE PLANNING POSITION

The London Plan 2011 as amended by the Revised Early Minor Alterations to the London Plan 2013

- 2.1 The London Plan sets out the Mayor's objectives and policies for London. His objectives include ensuring that the city meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life and sufficient high quality homes and neighbourhoods for Londoners.

- 2.2 Of particular relevance to the Aylesbury Estate, London Plan Policy 2.14 emphasises that within the Areas of Regeneration, which include Walworth and the Aylesbury Estate, the Mayor will work with strategic partners to achieve their sustained renewal.
- 2.3 Policy 3.8 indicates that Londoners should have a choice of homes that they can afford and which meet their requirements for different sizes and types of dwellings. Policy 3.9 provides support for building mixed and balanced communities which include a range of dwelling types and tenures. Policy 3.14 advises that loss of housing, including affordable housing, should be resisted unless the housing is replaced at existing or higher densities with at least equivalent floorspace.
- 2.4 Southwark's Local Development Framework is consistent with these policies. The Mayor has formally confirmed that Southwark's Core Strategy and the AAAP, which in particular demonstrates how London Plan policy 3.14 is met, are in general conformity with the London Plan.

Local development framework

- 2.5 The redevelopment and regeneration of Aylesbury area has been an objective of the Council since the 1990s and the Council adopted the AAAP for the area in 2010. The following documents set out the Council's policies for this area:
- The Core Strategy 2011
 - The Adopted Proposals Map 2011
 - Southwark Plan 2007
 - Aylesbury Area Action Plan 2010

Links to these policy documents are appended at SR7.

The Core Strategy 2011

- 2.6 The Core Strategy provides the overarching planning framework for the borough. It contains a vision and strategy for each area of the borough. The vision for Aylesbury states that the Council will use the guidance in the AAAP to work with stakeholders to achieve a phased redevelopment of the Aylesbury Estate which delivers around 4,200 new homes over the 15 year life-time of the core strategy (SR2 – AAAP foreword page 3).
- 2.7 The target for new homes on the estate is reiterated in core strategy policy 5 (Providing new homes). The same policy indicates that residential density should generally be up to 700 habitable rooms per hectare. However it notes that within Core Areas (of which the Aylesbury

estate is one), this density can be exceeded when developments are of an exemplary standard of design.

- 2.8 Core strategy policy 6 states that across the Aylesbury Action Area as a whole around 50% of homes should be affordable, of which 75% should be social rented and 25% intermediate. A mix of homes is required, including provision of 30% of homes with three bedrooms or more. The policy is aimed at ensuring a mixed community.

The Adopted Proposals Map 2011

- 2.9 The Aylesbury Estate is designated as a Core Area on the Adopted Proposals Map. As is noted above, this designation allows provision of higher density, subject to high quality design. The Order Land falls within an allocated proposals site (AAAP P1) on the Adopted Proposals Map. The allocation for the site is set out in the AAAP.

The Southwark Plan

- 2.10 The Southwark Plan was formally adopted by the Council in July 2007. The majority of policies were saved for a period of 3 years in 2010. Many policies have since been superseded by the Core Strategy and Aylesbury AAAP. In particular policies 4.1 (Density of residential development), 4.3 (Mix of dwellings) and 4.4 (Affordable Housing) have been replaced by Core Strategy policies.
- 2.11 With regard to density, dwelling mix and affordable housing, development will need to meet the policies set out in the core strategy and AAAP, rather than the Southwark Plan.

Aylesbury Area Action Plan (AAAP)

- 2.12 The AAAP provides a vision, objectives and detailed policies to guide the redevelopment of the estate. This emphasises the primary aim of providing around 4,200 new homes, with a mix of tenures and dwelling sizes. Policy MP1 states that development should be in general compliance with the masterplan. Policy MP2 states that proposals sites have been designated and that planning permission will be granted for proposals in accordance with the Adopted Proposals Map and appendix 5 of the AAAP. The adopted land allocation for sites which include The Order Land is for around 4,200 new homes (approximately one fifth of which are on the Order Land itself) with a mix of tenures and dwelling sizes, 4,000m² health and social care space, 2,500m² employment space, 1,150m² education and learning space, 500m² community space and 1,750m² of retail space. In order to further increase the level of certainty for developers, the Local Planning Authority has provided additional informal guidance on the interpretation of the AAAP.
- 2.13 The AAAP is intended to provide greater certainty for developers and the community as to what form of development would be acceptable. The AAAP has been subjected to extensive

public consultation and an Examination in Public. After being found to be sound and adopted by the Council (with modifications), it provides clear and up to date guidance, and is in itself in conformity with the strategic policies of the London Plan.

Policy Conclusions

- 2.14 Together, the London Plan as amended by the Revised Early Minor Alterations, the Core Strategy, relevant saved Southwark Plan policies, the Adopted Proposals Map and the AAAP comprise Southwark's Development Plan. Consistent with Section 38 (6) of the Planning and Compulsory Purchase Act 2004, planning applications should be determined in accordance with the Development Plan, unless material considerations indicate otherwise. It is therefore considered that any development which came forward which conforms with the requirements of these documents (or can provide clearly argued justifications for any deviations) would have a high degree of certainty of achieving planning permission, and a low risk of a potential challenge to any positive decision.
- 2.15 The Council believes, following detailed pre-application review of the detailed proposals to be brought forward by the selected development partner, that the proposals for the Order Land will be materially in accordance with these policies and as such has a high degree of certainty of achieving planning permission and a low risk of a potential challenge to any positive decision.

3 THE PROPOSED DEVELOPMENT OF THE ORDER LAND

- 3.1 The principal elements of Notting Hill's proposals for the development of the Order Land are as follows (approximate figures subject to final agreement prior to submission of planning application):
 - 3.1.1 820 residential units, comprising a range of sizes, from 1-bedroom units to 5-bedroom units, and a range of dwelling typologies (including flats, maisonettes and houses). This range of unit sizes and dwelling types will be provided across the tenures (target rent, intermediate and private), to ensure the potential for a fully mixed community.
 - 3.1.2 All the tenures are distributed across the site, securing park frontage views to tenants as well as private homeowners.
 - 3.1.3 308 units will be let at target rent levels, meeting the needs of existing secure tenants on other parts of the Estate, thus facilitating regeneration of the estate as a whole.
 - 3.1.4 92 units will be intermediate units, which will meet the needs of existing leaseholders on other parts of the estate, and thus facilitating regeneration of the estate as a whole.

- 3.1.5 370 units will be private for sale, which will contribute to the reduction of the significant undersupply of new homes in the London area.
- 3.1.6 In addition, the proposals include 50 Extra Care units which will be a mixture of tenure types (target rent, affordable rent and intermediate).
- 3.1.7 Included within the affordable accommodation unit numbers are 6 units for people with learning difficulties. These will be provided as a facility with support spaces for medical staff.
- 3.1.8 Overall the split between affordable and private units based on the number of habitable rooms is 50% affordable (75% target rent and 25% intermediate rent) and 50% private.
- 3.1.9 6% of the units provided will be mixed tenure houses, providing family homes with three bedrooms or more. Every dwelling type (maisonette, house, flat) will have private outside space with either a balcony or garden. For the dwellings provided in the apartment blocks there will also be access to private communal amenity space.
- 3.1.10 The proposals include extensive areas of high quality public open space for community use including children's play areas and gardens. A range of tree-lined streets will be provided, offering different character and feel. The new development will be fully permeable with clear pedestrian and cycle routes through between the new buildings in all directions.
- 3.1.11 Safe streets will be a key feature of the development, with numerous front doors at street level ensuring high footfall and windows to principal rooms providing animation and passive surveillance.
- 3.1.12 High quality and varied architecture will be delivered throughout, with no outward distinction between the different tenure types.
- 3.1.13 Well distributed internal dwelling layouts will be provided, incorporating well sized and proportioned rooms, good circulation areas and good storage. All units will be designed to generous space standards that meet or exceed those set out in the AAAP. All homes will be built to lifetime homes standards, providing flexibility to residents as their needs change over time.
- 3.1.14 A high percentage of homes will be dual-aspect and large windows will offer good internal daylight levels. The new development will meet current building standards in terms of sound separation and thermal performance and other sustainable design features.
- 3.1.15 Parking will be provided at a ratio of 0.35 spaces per dwelling, either off-street (within the podium) or on-street; car club spaces will also be provided. Good cycle storage will be provided, ensuring at least two cycle storage spaces per dwelling.

3.1.16 The development proposals are fully compliant with the policies set out in the AAAP and adhere to the design guidance support documents, in terms of quality, range and character.

3.1.17 A planning application is due to be submitted in autumn 2014.

4 POWERS FOR CPO

4.1 Section 226(1)(a) of the Town and Country Planning Act 1990 (the Act) permits a local authority to exercise compulsory acquisition powers if it thinks that the land in question will facilitate the carrying out of development redevelopment or improvement on, or in relation to the land being acquired and it is not certain that it can be acquired by agreement.

4.2 Appendix A of Government Circular 06/2004 - Compulsory Purchase and the Crichel Down Rules ("the Circular") sets out the circumstances in which this power may be relied on by local authorities for the purposes of acquiring land compulsorily.

4.3 The Circular states (in Appendix A paragraph 2) that the powers in section 226 are intended to provide a "positive tool to help acquiring authorities... assemble land where it is necessary to implement the proposals in their community strategies and Local Development Documents". In particular, Section 226(1)(a) enables an authority to exercise its compulsory purchase powers if they think that the acquisition will:

"facilitate the carrying out of development, redevelopment or improvement on, or in relation to, the land "

4.4 Under section 226(1)(a), a local authority must not exercise this power "unless they think 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 well-being of their area.
- (b) The promotion or improvement of the social well-being of their area.
- (c) The promotion or improvement of the environmental well-being of their area."

The Council considers that the promotion of the Order under s226(1)(a) meets the statutory requirements and is properly justifiable for the wider benefit of the community. The interests to be acquired by the Order are required for the development, redevelopment and improvement of the Order Land and of the wider area. The proposal will contribute to the economic well-being of the area by attracting investment and growth opportunities to the area. It will contribute to the social well-being of the area by provision of a greater quantum and range (in terms of size and tenure mix) of housing than is currently provided on the Order land and of

housing that is of superior quality. It will also assist in reducing crime in the area. The homes proposed will improve the environmental well-being by the provision of homes which are significantly more sustainable than those currently within the Order Land. In the Council's view the promotion of the Order via section 226(1)(a) meets the statutory requirements and is justifiable for the wider benefit of the community.

5 THE LONDON BOROUGH OF SOUTHWARK'S CASE FOR THE COMPULSORY PURCHASE AND PROPOSALS FOR THE USE OF THE ORDER LAND

- 5.1 The regeneration and redevelopment of the Aylesbury Estate is an objective and aspiration of the Council that is supported in the Core Strategy and the AAAP. It has cross-party political support and is supported by the GLA. The regeneration and redevelopment of the Order Land represents the next step in a process which has already started and for which agreements are in place for it to continue.
- 5.2 The Council is the freehold owner of all of the Order Land. Extensive consultation took place with local residents on the regeneration options and the AAAP from 1999 to 2009. The Inspector's report on the Examination into the AAAP dated 12 November 2009 ("The Inspector's Report") found at para 2.9 that 'the methods used in preparing the AAAP were sufficient to ensure a reasonable opportunity for residents of the AAP area and surrounding communities to make their views known.'
- 5.3 Consultation has continued on the specific design proposals for the Order Land. Resident feedback has been obtained on the proposals throughout the procurement process with regular stakeholder meetings being held with residents. A local exhibition of on the specific proposals for the Order Land was held in May 2014. There will be further consultation on the scheme proposed in June and July prior to the submission of the planning application and in accordance with the statutory planning process. Regular updates are provided to all residents through newsletters, a magazine and the Council's website.
- 5.4 The Council considers the redevelopment of the Order Land will enable the Council to provide a new high quality sustainable development, which will meet the needs of existing tenants and the future needs of the area. The Inspector's Report found that there were 'fundamental shortcomings' in the existing blocks on the Estate and that 'refurbishment would be unlikely to achieve satisfactory living conditions in the longer term.'
- 5.5 The redevelopment of the Order Land will provide some of the additional rented and intermediate properties required to provide re-housing opportunities for the tenants and leaseholders of blocks in future phases so that these blocks can be redeveloped in the next phases of the Aylesbury Estate redevelopment.

- 5.6 The new development will attract investment to the area and deliver significant benefits for the Borough's community in the medium to long term. These include new public realm, community facilities and employment and training opportunities as well as the new residential units. As the development of the Order Land cannot commence until vacant possession of the properties on the land has been obtained, the redevelopment of this part of the Estate cannot take place without the acquisition of the Order Land.
- 5.7 On 9 February 2010 the Council's Executive resolved (SR4) to make a Compulsory Purchase Order in respect of the Order Land (and any other land required for its redevelopment) for the purpose of securing the regeneration of the Order Land and the Aylesbury Estate in accordance with the provisions of the AAAP.
- 5.8 The Council's Cabinet (which superseded the Executive in May 2010) made a resolution in January 2014 (SR14) to approve the selection of Notting Hill as the Council's development partner, and in March 2014 (SR6) made a further resolution reiterating the Council's earlier decision to make a Compulsory Purchase Order in respect of the Order Land.
- 5.9 The Council has carried out all reasonable searches and preparatory work as a matter of diligent inquiry required to establish a full record of the interests in the Order Land. The Council instigated negotiations to try to acquire the interests in the Order Land by agreement rather than by compulsory acquisition in 2008. There have been extensive negotiations with all leaseholders and secure tenants on the Order Land since that date. Negotiations will continue throughout the CPO process, but the Council wishes to ensure that the CPO process is commenced even while those negotiations are ongoing to minimise the risk that small numbers of isolated occupiers remain on the Order Land after the majority of occupiers have left by agreement and to ensure vacant possession is achieved to enable regeneration to proceed. This is to minimise risk in terms of safety and to ensure that the redevelopment of the Order Land is not unduly delayed should agreement with remaining residents not be achievable.
- 5.10 The Ministry of Justice has agreed with the Council that it will not be able to continue to occupy Ellison House (adjacent to the Order Land) as the redevelopment progresses, and accepts that vacant possession of Ellison House will be required in order that the redevelopment of the Order Land can proceed. There have been a number of meetings between officers of the Council and the Ministry of Justice and it has agreed in principle to vacate Ellison House and surrender its leasehold interest when the Council has obtained vacant possession of the remainder of the Order Land in order that demolition can proceed. Accordingly the Council reasonably expects it will be able to acquire vacant possession of Ellison House when it is required for demolition. In the event that vacant possession of Ellison House has not been secured by this date, Notting Hill and their contractors will still be able to commence demolition of the buildings on the Order Land and to begin the re-building at the

- eastern end of the Order Land. This can safely be done while Ellison House remains in situ, if necessary.
- 5.11 There is some telecommunications equipment located on the roof of the block known as Chiltem. Negotiations have commenced with the tenant of the rooftop site to relocate their plant elsewhere. The lease between the Council and the tenant of the rooftop area contains a break clause in favour of the Council as landlord, exercisable in the event of redevelopment, and the Council intends to exercise that break clause and to obtain possession of this area by agreement with its tenant. The leasehold interest has been included within the CPO in the event such negotiations are unsuccessful.
- 5.12 The part of the site currently occupied by the games court is subject to a restrictive covenant imposed in 1939 requiring the area (shown coloured blue on the plan appended as SR8) to be maintained as open space. It is understood that following the abolition of the London County Council (the original covenantee), the benefit of it has passed to the London Borough of Bromley. Negotiations have commenced with the London Borough of Bromley for the modification or release of that covenant. In the event of those negotiations proving unsuccessful, it is envisaged that the Council would seek to rely on s237 of the Town and Country Planning Act 1990 to override the covenant, just as it would should other rights, such as rights to light, constitute a potential impediment to implementation.
- 5.13 During the Council's negotiations with remaining occupiers on the Order Land, it has become clear that some of the leaseholders, in what is generally considered a rising property market, will not consider any offers made by the Council to purchase their properties unless and until a Compulsory Purchase Order has been made. Whilst the Council would prefer to acquire all outstanding interests by agreement, it is felt that the making of a CPO at this stage is essential to demonstrate the commitment of both the Council and Notting Hill to the regeneration process. The Council is also conscious of the health and safety implications of a small number of residents remaining isolated in occupation in large virtually empty blocks.
- 5.14 Currently there are 22 leaseholders remaining, both resident and non-resident, who acquired their leasehold interests in the Order Land through the Right to Buy scheme (or bought them on the open market from such leaseholders), out of a total of 566 units on the Order Land. In addition, there are 12 secure tenants still remaining. Where properties have been vacated, the Council has been using suitable vacated units for temporary accommodation purposes, in accordance with the Council's duty to provide temporary accommodation contained within the Housing Act 1996 Part VII (as amended by the Homelessness Act 2002). There are currently 8 properties being used for temporary accommodation purposes.
- 5.15 The Council has an extensive package of support for resident leaseholders, secure tenants and temporary accommodation residents to ensure that they are able to find suitable alternative accommodation. The Council will continue to work with these residents to help

them to find suitable alternative accommodation and to negotiate the acquisition of their interest in the Order Land. However, in order to give certainty to the Council's regeneration partner and to ensure that the Council is able to bring forward the development of many new homes on this site in accordance with the AAAP, the Council has commenced the legal process required to secure a Compulsory Purchase Order for the Site.

- 5.16 Further details on the Council's negotiations and support offered to the leaseholders, secure tenants and temporary accommodation residents are set out below. The guides setting out the process for leaseholders and tenants are annexed to this document.

Leaseholder negotiations and support

- 5.17 The Council always seeks where possible to acquire third party interests by agreement rather than relying on compulsory purchase powers. This is in accordance with paragraph 24 of the Circular. However that paragraph of the Circular does recognise that it is "sensible for the acquiring authority to initiate the formal procedures in parallel with such negotiations". As previously mentioned, the Council has, over time, undertaken negotiations to acquire third party interests and indeed approximately two thirds of such interests have been acquired in this manner.
- 5.18 The Council recognises that resident homeowners affected by regeneration who are not easily able to afford to purchase suitable alternative residential accommodation require more viable and attractive re-housing offers than those provided by its minimum statutory duty as set out in the Land Compensation Act 1973.
- 5.19 On 26 September 2006, the Council resolved to offer an enhanced re-housing package to affected homeowners (Executive report and minutes appended at SR9). This was subject to qualification criteria, based, among other things, on when the right to buy the affected property was exercised or when it was purchased if via open market sale and the occupation status and the financial position of the homeowner. On 14 December 2010, the Council agreed the set of fully worked re-housing offers along with their particular qualification criteria for all resident homeowners affected by regeneration on the Aylesbury Estate, including those owning property on the Order Land (Cabinet report and minutes appended at SR10).
- 5.20 On 18 March 2014 the Council agreed a further policy paper under which a new model of home ownership – "shared equity" – will be offered (Cabinet report and minutes at SR11). This model was proposed in response to the lack of interest of some home owners in the shared ownership model whereby rent is payable on the retained share of the shared ownership property. In shared equity, no rent is payable on the retained portion, but there are differences in the terms of the shared equity and shared ownership leases. This option will assist with the re-housing process.

- 5.21 The re-housing offers made by the Council are such that where a resident homeowner cannot afford any ongoing form of home ownership, they may be re-housed as a Council tenant or as a tenant of a registered social landlord. However, if they can afford some level of home ownership, they may purchase a suitable alternative property from the Council on full or shared ownership (including shared equity) terms. Only where a resident homeowner can afford to purchase a suitable alternative property on the open market without assistance is access to the enhanced re-housing package restricted.
- 5.22 Council officers have been working with resident homeowners on the Order Land over the past 5 years to ensure that applications for the Council's enhanced re-housing package could be processed well in advance of vacant possession being required, this being a lengthy process due to the financial testing elements involved. In addition to the re-housing offers that can be provided by the Council, Council officers have tailored their assistance to help resident homeowners simultaneously explore other re-housing avenues such as shared ownership products available from other Registered Providers and purchases on the open market. Other support services have also been facilitated through a community development trust working solely with Aylesbury Estate residents. These support services include an independent money advice service and advocacy and support specifically directed to more elderly residents. The Council's leaseholder guide is appended at SR12.
- 5.23 As part of its selection under the procurement process, Notting Hill were required to put forward their proposals to assist the Council with their re-housing process and have made available up to 15 of their new build properties on other schemes within the Borough for residents of the Order Land, on an affordable shared-ownership with no or a reduced rent payable depending on the leaseholders financial circumstances. The availability of this alternative housing which comprises a range of flats of different sizes some of which is at Edmund Street London SE5, within close proximity of the Order Land, is intended to assist with the re-housing process.

Tenant negotiations and support

- 5.24 The Council has an active programme of re-housing the secure tenants on the Order Land which has been operating since October 2009. As a result the majority of secure tenants have already moved from the Order Land.
- 5.25 The re-housing programme is managed by a locally based team of staff who assist all tenants with registering, bidding and eventually moving home. Support is offered through regular home visits and a neighbourhood office where tenants are able to visit and work with officers to secure suitable accommodation. The majority of tenants move through the Council's Homesearch system where they receive "band one" status in line with the Council's allocation policy and can move to empty properties across the Borough. In addition the Council has

negotiated for Aylesbury tenants living on the Order Land to have the first option of refusal on a number of new build sites where properties meeting their requirements are available to let.

- 5.26 All tenants moving as a result of the regeneration proposals benefit from the payment of statutory home loss payments, disturbance allowances and have their reasonable removal fees paid for them in accordance with Council policy. The Council's tenant's guide is appended at SR13.

Temporary accommodation

- 5.27 Where the Council vacates properties, either from leaseholder or secure tenants, and there is still more than 12 months until the anticipated demolition date, the Council may use the vacant properties to meet the needs of other residents for temporary accommodation.
- 5.28 All temporary accommodation residents are people who have approached the Council as homeless and for whom the Council has accepted a duty to house, in accordance with the Council's duty to provide temporary accommodation contained within the Housing Act 1996 Part VII (as amended by the Homelessness Act 2002).
- 5.29 There are 8 non-secure temporary accommodation tenants on the Order Land. Support is given to assist them to secure suitable permanent homes prior to the vacant possession date. Notices to quit have now been served and these properties are in the process of being vacated. Any household that has not secured a permanent home will be assisted to move to alternative suitable temporary accommodation unless the Council has no statutory duty to provide such support.
- 5.30 Each of the non-secure temporary accommodation tenants have entered into a non-secure tenancy agreement. By virtue of paragraph 4 Schedule 1 of the Housing Act 1985 the non-secure tenancy agreement does not create and is not capable of creating a secure tenancy. However, in order to ensure that clean title can be secured, the Council has included these properties in the Order.

6 HUMAN RIGHTS ACT 1998

- 6.1 The Human Rights Act 1998 incorporates into domestic law the European Convention on Human Rights ("the Convention").
- 6.2 In making this Compulsory Purchase Order the Council has duly considered the rights of the property owners of the Order Land under Article 1 of the first Protocol of the Convention. This protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international law.

- 6.3 The Council has also considered the rights contained in Article 8 of the Convention which protects private and family life, home and correspondence. No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interests of national security, public safety or the economic well being of the country.
- 6.4 In relation to these Convention rights the Council has been conscious of the need to proportionately balance the rights of the individual against the wider community benefits which will be provided should the Order be confirmed. The redevelopment and regeneration of the Aylesbury Estate area will secure significant environmental, social and economic benefits for the public. The regeneration of the Aylesbury Estate is considered to have benefits to not only the immediate community but also to the Borough as a whole in that it will act as a catalyst for further investment. The effect of the Order will be to dispossess persons of their rights in the Order Land. However, the Council considers that the advantages of regeneration, which can only be expeditiously secured through the promotion of the Order, substantially outweigh the disadvantages to those dispossessed. Accordingly, having taken these matters into the balance, it is considered that acquiring the Order Land by compulsory purchase would not constitute an unlawful interference with any of these rights.
- 6.5 As part of the production of the AAAP an Equalities Impact Assessment was carried out and the formulation of the AAAP had regard to that assessment.
- 6.6 Section 149 of the Equality Act 2010 requires the Council to have due regard to the need to :
- a) eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.7 Throughout the compulsory purchase process the Council will have due regard to its obligations under the Equality Act.

7 CONCLUSION

- 7.1 The compulsory purchase order is required for the continuing regeneration and redevelopment of the Aylesbury Estate where the Order Land is situated. As set out above, the regeneration and redevelopment of the Order Land is critical to the progression and development of all the Aylesbury Estate. Without the use of compulsory purchase powers to secure acquisition of

the Order Land by the Council, the planned development will be prejudiced or materially delayed.

- 7.2 The proposed scheme is consistent with the objectives of the Southwark Plan and the London Plan and is based upon the AAAP for the Aylesbury Estate. It is an important regeneration initiative for the Borough not only for the immediate area but also for helping to attract further investment opportunities for the Borough. It is also in keeping with national planning policy. The regeneration of the Order Land will comprise a mix of tenure and unit types, which are of benefit to the local community, meet the objective of providing sustainable development and create a vibrant and balanced community. The principle of regeneration on the Order Land is supported politically and by the local community, as well as having support from the Homes and Communities Agency and the GLA.
- 7.3 Extensive support has been provided to the tenants and leaseholders on the Order Land to help them to find new homes; in the main this has been successful but some occupiers remain. That support will continue throughout the compulsory purchase process.
- 7.4 Having considered the relevant policy guidance the Council is satisfied that there is a compelling need in the public interest for the compulsory purchase powers sought in order to secure the re-development of the Order Land in a manner consistent with good principles of urban design, in one comprehensive residential scheme in order to deliver economic, social and environmental improvement to the Aylesbury Estate. The Council has therefore made the Order and requests that the Secretary of State confirms the Order.

8 ADDITIONAL INFORMATION

- 8.1 Additional information about the regeneration of the Aylesbury Estate as it progresses is available on www.southwark.gov.uk
- 8.2 A copy of the Order, the Order Map and this Statement of Reasons can be inspected at the Council's offices at 160 Tooley Street, London SE1 2QH between 9.30am and 5pm, Mondays to Fridays [excluding bank holidays].