

Cabinet

11 November 2013

Wards: Abbey, Figges Marsh, Ravensbury

Merton Priory Homes, Estate Regeneration Project

Lead officers:

Chris Lee, Director of Environment and Regeneration

James McGinlay, Head of Sustainable Communities

Lead members:

Cllr Nick Draper, Cabinet Member for Community & Culture

Cllr Andrew Judge, Cabinet Member for Environmental Sustainability & Regeneration

Contact officers:

Paul McGarry, futureMerton Manager

Valerie Mowah, futureMerton, Principal Spatial Planner

Recommendations:

This report is for information only, setting out the scope of due-diligence work to be undertaken by LBM officers in partnership MPH/Circle over the next six months.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To update cabinet on on-going discussions between LBM and MPH/Circle on the development of the MPH regeneration plans for Eastfields, High Path and Ravensbury estates.
- 1.2. This report is to inform cabinet on the initial consultation outcome between MPH/Circle and the residents of the three estates during summer 2013.

2 DETAILS

Background

- 2.1. Cabinet received a report on 9th July 2013 and noted MPH/Circle were commencing a consultation with residents of Eastfields, High Path and Ravensbury estates on the options to deliver their decent homes obligations.
- 2.2. The consultation was to consider the most appropriate way to deliver decent homes and continuing to enhance the life chances of residents, whilst acknowledging the poor stock condition of many of the properties on the three estates. The consultation put forward options for large scale demolition and new build as one of the potential routes to delivering decent homes.
- 2.3. The proposals, if they were to go ahead, would potentially be a 15 - 20 year redevelopment programme in which residents would be at the heart of the planning of the new estates.

Community Engagement

- 2.4. Merton Priory Homes have concluded their initial conversation with residents about their priorities for improving the estates. As a result, the Board of MPH/ Circle have concluded that there is sufficient support from residents to proceed to a second phase of consultation and engagement which would focus the preparation of the masterplans for the three estates. A letter outlining the MPH Board's position is provided as Appendix A to this report.
- 2.5. MPH/Circle have written to the residents of the three estates informing them of this. Copies of the letters to residents on each estate are in appendix D to this report. A summary feedback from residents on each of the estates is provided in Appendix C and a breakdown of the numbers of people engaged in the MPH consultation is available in Appendix B to this report.

LBM Collaboration with MPH

- 2.6. Over the next few months a Memorandum of Understanding / Collaboration Agreement will be agreed by MPH/Circle and LBM in order to work through and understand the details and assumptions of the emerging project and to enable LBM to ensure that the views of residents are given sufficient prominence.
- 2.7. Before proceeding with a major project, there will be a period of up to 6 months of due-diligence to allow officers in MPH/Circle and LBM to work together to develop and agree the masterplanning outline and process, design quality standards and to devise deliverable schemes in line with an agreed baseline position.

Masterplanning and Community Engagement

- 2.8. MPH's development of a robust evidence base, including the collection and analysis of baseline data will be crucial in developing and underpinning the masterplanning process. Many of the questions and issues raised by residents, officers and members cannot be answered effectively until there is a baseline position to work from. MPH's conversation with residents in summer 2013 indicates that there is an appetite for residents to engage in further consultation and masterplanning to determine how their estates can be improved.
- 2.9. During the proposed period of due diligence, MPH/Circle plan to proceed to a second phase of more detailed community engagement to start the masterplanning process. Over a six month period, MPH/Circle with LBM will continue a period of due diligence. MPH would be expected to seek a deferral to the obligation to meet decent homes on these estates via the refurbishment route. At present no deferral is required but one could be anticipated after the due diligence work and further consultation described above.
- 2.10. The objective of any masterplan process is to shape, and eventually agree;
 - the options /offer to residents
 - the appropriate mix of land uses
 - tenure mix

- development phasing
- appropriate massing and density
- financial viability considerations
- design quality aspiration and control
- co-ordination with neighbouring land owners and development opportunities
- Identify enabling measures such as kick-start and decant development sites, develop a site assembly and decant strategy.

2.11. MPH/Circle in partnership with LBM will develop and agree outline masterplans with regular input and feedback via a governance structure that will be agreed.

Risk and Return

2.12. Should the due diligence exercise and masterplanning exercise conclude that there are viable, deliverable regeneration plans that satisfies residents concerns, LBM and MPH/Circle will consider how best to share the risks and rewards.

2.13. MPH/Circle and LBM will share the risks and rewards arising from the outturn position. If gross revenues increase, LBM and MPH/Circle will share the rewards by adjusting their 'returns' from the project in terms of for:

- MPH/Circle, to improve the project Net Present Value (NPV)
- LBM, to ensure the delivery of affordable housing growth, where viable, in line with current planning policy
- LBM to ensure the delivery of community facilities and infrastructure, in line with current planning policy.

Open Book

2.14. MPH/Circle and LBM will work together on a fully open book basis using the dynamic financial model developed by Grant Thornton on behalf of MPH/Circle to monitor the on-going viability status of the scheme as masterplan details emerge.

2.15. MPH/Circle and LBM will agree baseline variables through quarterly reports to the agreed governance structure

2.16. Changes to the scheme viability to be reviewed at key phasing milestones.

Partnership

2.17. Both LBM and MPH/Circle will use best endeavours to seek ways and means of expediting the masterplan process through measures such as, but not limited to;

- Keeping one another advised of any potential risks to delivery (through a regularly reviewed joint risk register)
- Work within respective organisations to streamline processes.

- Both MPH/Circle and LBM will actively seek opportunities to bring additional funding into the project in order to improve project viability e.g. affordable housing grant or other public funding programmes.

3 ALTERNATIVE OPTIONS

- 3.1. Decent Homes works as agreed will continue to be implemented.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Initial consultation with residents on the three estates was undertaken by MPH between July – September 2013. More detailed information on the consultation responses is provided in appendices B & C.

5 TIMETABLE

- 5.1. The indicative timetable for the next six months of this project are as follows:
- Due diligence work; Dec 2013 - May 2014
 - MPH/Circle 2nd round of consultation with residents; Jan 2014
 - Report back to Cabinet / Council; June 2014 - July 2014

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. None at this time. These implications will be considered as part of the due diligence exercise.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. None for the purposes of this report. These implications will be considered as part of the due diligence exercise.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 None for the purposes of this report However MPH have carried out an equality impact assessment on the methods of consultation to ensure that those with protected characteristics could participate fully in the consultation. MPH are not yet at the stage when a final decision on the exact works to be undertaken is necessary, at the appropriate stage, a full equalities impact assessment will be available. An equalities impact screening has been considered by the MPH Board.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purposes of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None for the purposes of this report.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix A – Letter MPH outlining the MPH Board’s position regarding the recent consultation.
- Appendix B : Details of number of residents engaged in the MPH consultation process.
- Appendix C: Details of resident feedback from the MPH consultation process.
- Appendix D: Letters from MPH to residents of the three estates summarising the first round of consultation.

12 BACKGROUND PAPERS

12.1. Merton Priory Homes Regeneration Information:

- www.circle.org.uk/merton-priory/your-home/the-future-of-eastfields
- www.circle.org.uk/merton-priory/your-home/the-future-of-high-path
- www.circle.org.uk/merton-priory/your-home/the-future-of-ravensbury