

Council

9th July 2014

Wards: Wards: Abbey, Figges Marsh, Ravensbury

Circle Housing Merton Priory, 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:

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Recommendations:

That that Council :

1. Are updated on due diligence undertaken over the past six months by the London Borough of Merton (LBM) and Circle Housing Merton Priory (CHMP) officers working together.
2. That the council notes the significant opportunity this project represents to improve housing conditions for tenants, leaseholders and freeholders and the potential contribution to addressing wider housing provision pressures in Merton and London.
3. Agrees to proceed with exploration of estate regeneration schemes for Eastfields, High Path and Ravensbury via:
 - (a) Preparation, in partnership with Circle Housing Merton Priory of a statutory Estate Regeneration Local Plan Document setting out the strategic planning framework to guide any estate regeneration proposals;
 - (b) Consideration of the Council's statutory powers where appropriate, to help deliver the proposed Estates Regeneration Local Plan.
4. Adopt revisions to Merton's Local Development Scheme as the project plan and timetable to prepare the proposed Estates Regeneration Local Plan, subject to the Mayor of London's approval.
5. Resolves to suspend the obligation in the Stock Transfer Agreement dated 22 March 2010 ("Transfer Agreement") on the part of CHMP to carry out the Qualifying Works (as defined in the Transfer Agreement) at High Path (South Wimbledon), Eastfields (Mitcham) and Ravensbury (Morden) to comply with the Decent Homes Standard for a period of up to 18 months subject to there being no legal objection or obstacle, to enable CHMP to explore the viability of estate regeneration schemes for the above estates, an agreed programme to regenerate the subject properties and the planning position being concluded including the formulation of an Estates Regeneration Local Plan. The period of suspension will commence from the date of 9th July 2014 and will also have regard to the date upon which the Deed of Variation is completed.

6. Resolves that the Director of Environment and Regeneration in consultation with the Cabinet Member for Environmental Sustainability and Regeneration be authorised to approve consultation documents prior to public consultation, publish the Local Development Scheme (subject to its approval by the Mayor of London and other consequential matters in accordance with the appropriate Regulations).

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Over the past year, Circle Housing Merton Priory Homes (CHMP) have been undertaking engagement with residents of three estates: High Path (South Wimbledon), Eastfields (Mitcham) and Ravensbury (Morden), asking residents how standards can be improved on the estates other than through the planned Decent Homes programme. Ownership of many of the former council owned homes on these estates was transferred to Circle Housing Merton Priory Homes in March 2010.
- 1.2. This report sets out the background to Circle Housing Merton Priory Homes (CHMP) need to meet Decent Homes standards on the estates; their investigations and proposed investment in the estates; details at this stage on financial / alternative accommodation offer to residents, the Estates Regeneration Local Plan and it recommends that the council resolves to explore regeneration of these estates by preparing in partnership with CHMP, a Local Plan in consultation with residents (tenants, leaseholders and freeholders).

2 DETAILS

2.1. Background

Cabinet received a report in November 2013 which provides an update on on-going discussions between LBM and Circle Homes Merton Priory (CHMP) on the development of their regeneration plans for Eastfields, High Path and Ravensbury estates. The report also informed cabinet on the initial consultation outcome between CHMP and the residents of the 3 estates during summer 2013.

- 2.2. It is CHMP's view informed by their financial feasibility work which indicates that the three estates need to be considered as a linked entity regarding any regeneration proposals due to their financial inter-dependence.

2.3. Due Diligence

- 2.3.1 Over the last six months, officers of LBM and CHMP have worked together to explore a number of matters including the offer to residents, identifying occupants for decant and housing nominations, the master planning outline and process and devising of an agreed baseline position aimed at achieving deliverable schemes.

2.4. CHMP Business case / rationale for estates regeneration

- 2.4.1 The proposed Merton Regeneration Project is the most recent of Circle Housing's estate renewal and regeneration programmes undertaken by the Circle Group. CHMP advise that as one of the largest programmes underway in the UK it would represent a huge financial investment and an ambitious programme of house building and refurbishment. The scale of that ambition is such that although the project is currently financially challenging in terms of viability, CHMP is keen to work with LBM and other stakeholders including the GLA to deliver this project and hope that by working together a significant gap in the project's financial viability can be reduced. CHMP have undertaken a careful deliberation and exploration of options and have decided that a full consultation exercise with their residents to see whether a detailed regeneration solution can be found, as a means of delivering longer term sustainable decent homes standards; having regard to the state and condition of the existing properties.
- 2.4.2 For Merton, this project has the potential to provide much needed, higher quality housing as well as reduce the maintenance liability and long term burdens for leaseholders. There are also wider benefits beyond the estates in supporting regeneration and growth; aligned with Merton's Core Planning Strategy (2011) which seeks to improve the quality of the built environment; create more sustainable communities and focus regeneration and housing growth broadly in South Wimbledon, Morden and Mitcham adjacent to transport hubs. Should regeneration go ahead, there is potential to secure approximately one third of the Merton's ten year housing target of 3400 homes, as set out by the Mayor of London.

2.5 Technical Studies

- 2.5.1 As part of CHMP's preparations for the delivery of the Merton Standard Decent Homes improvement programme CHMP commissioned a series of studies. These included:
- An internal review and cost benefit analysis of Merton Standard works across CHMP's twenty two largest estates
 - Construction engineering consultancy Dyson Associates were commissioned to carry out a survey of and report on all non-traditionally constructed homes, which identified current repair needs and extrapolated future needs
 - Construction engineering consultancy Ian Sayer and Co. was retained to provide additional data on Eastfields in spring 2012
 - Architect practices PRP and HTA were retained to develop housing capacity studies for all three estates including a series of regeneration and refurbishment options
- 2.5.2 CHMP advise that the results of these studies raised question marks over the value for money represented by pressing on with Merton Standard works for Ravensbury, Eastfields and High Path. A number of specific structural and long term issues were identified. For example the Sayer report on Eastfields concluded:
- "The estate was constructed using the Wimpey 'no fines' non-traditional method and clad using a metal proprietary 'escol' enamelled system which is now in*

poor condition...Services within the buildings are starting to fail as is the roof structure...The remaining life span of the buildings would appear to be approximately ten years...The facade panels, with currently low insulation values would need replacing...The roofs would need renewal sooner...Extensive condition surveys would be required to both the fabric of the building and the individual units to establish the full extent of works needed to maintain the homes to a minimum standard.”

2.5.3 These results taken alongside CHMP’s experience of managing similar estates and house types and consideration of feedback from CHMP’s community consultation exercise carried out in the summer of 2013 led CHMP to decide to explore the regeneration option in more detail. That included the community consultation. Grant Thornton LLP was commissioned to develop a financial model for regeneration. The financial model work has been shared on an ‘open book’ basis and independently reviewed by LBM.

2.6 The Financial Case

2.6.1 In May 2014 CHMP refreshed the financial assumptions on Merton Standard works. This included both the costs of the Merton Standards works and the additional costs of maintaining non-traditional and/or poor quality estates over time. The costs cover a number of discrete headings and are projected over the (estimated) twelve years that any regeneration programme is likely to take.

Headings include:

- Non-traditional structure works
- Decent Home Standard works
- Asbestos survey and removal
- Electrical rewire
- Solid wall insulation
- Roofing costs (particularly in relation to Eastfields)
- Common works (e.g. lift replacements in the High Path towers)
- Contingency

2.6.2 This review, CHMP advise, indicates some £37.2m would need to be spent on the three estates over this twelve year timeframe just to maintain the fabric of what are in some cases failing or short life structures (i.e. the non-traditional homes on Eastfields and Ravensbury estates). Should regeneration be a preferred option beyond the existing decent homes programme, there is an opportunity to not only provide new homes, but to save leaseholders money in the long term in relation to property upgrades, maintenance and running costs.

2.6.3 CHMP advise that these costs make no allowance for any improvements to public realm or common areas. Nor do they address existing issues such as parking, community safety, accessibility or sustainable neighbourhoods which are common to all three estates. Of particular concern to CHMP, is the poor insulation and energy systems found in these homes currently, resulting in higher than average fuel bills for residents and the potential for future increases in cases of ‘fuel poverty’. This combination of high future costs, limited scope for improvement and the on-going poor quality of the built environment and layouts

of these estates has led CHMP to commit to exploring regeneration options in more detail.

- 2.6.4 CHMP's view is that many of these issues affect residents irrespective of tenure and would not be addressed by focussing entirely on improvements to individual social /affordable rented properties and planned maintenance programmes. CHMP therefore advise that a more comprehensive response is needed to create modern, high quality neighbourhoods for local people.

2.7 Suspension of Development Agreement, Decent Homes and VAT Shelter

- 2.7.1 An obligation of the Transfer Agreement is for CHMP to undertake a programme of Decent Homes works (Merton Standard works) by March 2015.

- 2.7.2 CHMP advise that their business case recognises that Merton Standard works and a programme of planned maintenance works alone will not offer value for money in the long term for CHMP. Therefore CHMP seek to work with LBM to revisit the Merton Standard timetable to allow time to explore, with residents alternative options for Ravensbury, Eastfields and High Path.

- 2.7.3 Council is requested to resolve to suspend Decent Homes only for the three estates, for a period of 18 months to provide time for an exploration, with residents of regeneration proposals capable of coming forward for the three estates. During this 18 month period the Council would need to be satisfied that residents support regeneration proposals and there are no legal obstacles to varying the Transfer Agreement in these circumstances.

- 2.7.4 An obligation of the Transfer Agreement is for CHMP to undertake a programme of Qualifying Works as part of a Development Agreement and to ensure that Decent Homes works is completed to the Merton Standard by December 2015.

- 2.7.5 The suspension of the Development agreement on the three estates will impact the VAT Shelter Agreement between CHMP and LBM. Suspension of the works is likely to delay VAT Shelter payments to LBM, however should regeneration plans proceed the receipts to LBM are likely to reduce.

- 2.7.6 CHMP are therefore considering alternative options for delivering the decent homes obligations, understanding that this may be a project that runs at a deficit, they have approved to proceed on the basis that the agreed level of deficit is not exceeded and that every endeavour is made to reduce the deficit whilst still acknowledging the other financial considerations of the Transfer Agreement.

2.8 Baseline offer to residents

- 2.8.1 Given the relatively early stages of the regeneration proposal, CHMP advise that the financial / alternative accommodation offer to residents, should regeneration go ahead, particularly to home owners, is an evolving one and will be shaped by the outcome of the master planning processes (where factors such as quantum of new homes, density, design quality and tenure will have a direct bearing on the financial model). CHMP advise that the full offer to residents will be produced on completion of their draft masterplans and prior to

any formal decision by CHMP or LBM to proceed with comprehensive regeneration plans

2.9 The Current Offer

2.9.1 In CHMP's most recent literature sent to every resident and landlord CHMP have confirmed the details of the current offer at this point and the need to further enhance it through the master planning process. That current offer is made up of:

2.9.2 Resident Leaseholders and Freeholders

- Open Market Value (OMV) plus 10% at the point when their home is required
- A disturbance allowance of £4,700
- The homeowner's appointed valuer paid for by Circle Housing Merton Priory
- Their legal fees to buy a new home
- Shared Equity option on a new home within the regenerated estate
- Shared Ownership option for a new home within the regenerated estate

2.9.3 Landlords living outside of the three estates

- Open Market Value (OMV) plus 7.5%

2.9.4 Tenants

- A new home based on their needs
- A disturbance allowance to cover the costs of new carpets, utility connections, curtains, etc.
- Whilst CHMP would seek to minimise having to decant twice, where this does happen tenants will be entitled to a home loss payment for each move.

2.10 The Evolving Offer

2.10.1 CHMP recognise the need to develop a nuanced offer which better addresses the specific needs of individuals and households but which at the same time does not add to the deficit the project currently faces. Consequently CHMP are looking at best practice from across other regeneration projects as well as modelling offer enhancements and options, their impact on the financial model, the design of the estates and other factors.

2.10.2 CHMP's objective is for as many existing residents to stay on the three estates as possible, and therefore much of the modelling has been around incentivising residents to stay; acknowledging the many positive benefits of the long established existing communities and that the retention of as much of the existing social fabric as possible would benefit both existing and new residents in the long term.

2.10.3 CHMP's modelling work will include exploring the impact of:

- Alternative and improved Shared Equity and Shared Ownership options for existing residents
- Stair-casing options as part of the Shared Equity model
- Offering a number of “shell homes” on each estate, allowing people to (potentially) purchase 100% of a home for final finishing on a “self-build” basis (an approach Circle Housing has used successfully elsewhere)
- Offering some plots on a multi-generational home basis, where extended family groups can choose bespoke layouts to accommodate different generations without the need for separate homes

2.11 Supporting the Private Rented Sector

2.11.1 CHMP’s financial plan includes an element of market rented properties as well as properties for sale and for rent. CHMP’s intention is to support the existing private rented sector landlords whilst at the same time improving the quality of the accommodation on offer to the tenants of those privately let homes.

2.11.2 An exploration, by CHMP of ways to support private sector landlords is also underway. The private rented sector already makes up a significant and growing proportion of the housing offer on all three estates. CHMP are currently exploring how best to work with landlords to help them commit to and reinvest in the planned new neighbourhoods. The council will engage in these discussions with a view to maximising the availability of private rented capacity for local people.

2.11.3 This could, in turn, significantly improve the quality of private rented accommodation available to new and existing residents across the three estates and more widely in Merton.

2.12 Work in Progress

2.12.1 CHMP have indicated to residents and other stakeholders, that the master planning process will be key not just in determining the possible physical layout of the estates but also the financial offer that can be made to residents - the two processes are inextricably linked.

2.12.2 As the design emerges CHMP will rerun the financial model to take account of changes and options. CHMP advise that residents will be fully engaged in that process and they have appointed an Independent Tenant and Resident advisor with residents on the selection panel. Where appropriate, they will ensure that independent financial advice is available to residents so that they can understand the financial implications of each option and also the master plan.

2.13 Details of interim Decent Homes and / or maintenance work proposed

- 2.13.1 The three estates identified for possible regeneration are as CHMP advise, by definition, in need of substantial improvement.
- 2.13.2 The underlying principle will be that CHMP will continue to deliver its statutory responsibilities. CHMP will continue to undertake responsive repairs to the homes and communal areas and the servicing of equipment such as heating boilers, lifts, door entry and fire protection systems. CHMP advise that repairs would be undertaken within the same timescales for all other homes across all of CHMP's stock (i.e. 4 hours, 72 hours and 28 days, determined by priority).
- 2.13.3 CHMP advise that in acknowledgment of the phased nature of the proposed regeneration programme, which may be subject to change to accommodate currently unknown issues (e.g. weather condition, site access arrangements, changes in construction or energy legislation), CHMP will keep the repairing commitment under regular review. CHMP advise the publication and updating of it's performance in delivering the repairs service throughout the project, and in liaison with LBM and local residents throughout.

2.14 Merton Standard Improvements

- 2.14.1 CHMP advise that with respect to the Merton Standard investment programme, subject to the approval of the London Borough of Merton the existing programmes to replace windows, doors, kitchens and bathrooms, etc., will be suspended. A number of scenarios are under active discussion with LBM which allows for a revised timetable for the delivery of Merton Standard works should the proposed regeneration programme not proceed.
- 2.14.2 However if the regeneration proposals do proceed, CHMP recognises the timescales envisaged for the proposed programme (between 2 and 12 years, subject to development phasing) means that CHMP will need contingencies in place where components fail or are beyond economic repair in the meantime. This will especially affect those homes which may be identified for later phases of regeneration.

2.15 Proposed Response

- 2.15.1 CHMP advise that firstly, all central heating boilers will continue to be replaced under the existing programme up until 2 years before any proposed demolition or if they can no longer be repaired. Secondly, where the costs of a repair to a component within the home are over 66% of the cost of replacement then consideration will be given as to whether the component should be replaced irrespective of the position of that home in the phasing programme. In the final year (ahead of demolition) CHMP advise that it would look to repair elements, only replacing where there were overriding operational or health and safety concerns.
- 2.15.2 CHMP recognise this is a complex issue which will require careful negotiation between their maintenance and repairs contractors, residents affected and LBM. However CHMP advise that it will ensure it delivers its legal responsibilities across all three affected neighbourhoods for the duration of the

proposed regeneration programme. Similarly CHMP are hopeful that agreement can be reached with LBM around the issue of Merton Standard timetable which would allow CHMP to deliver the comprehensive redevelopment of homes and improvements to living conditions across the three estates.

2.16 Housing Specific Issues

2.16.1 Discussions have been on-going between CHMP and LBM and arrangements are currently being finalised for a workshop to focus on those implications (as they are understood at this early point in the project) which is planned for early July. Some of the issues to be covered off between both parties over the next few months are headlined below.

2.17 Early Buy Back Arrangements

2.17.1 CHMP is currently finalising arrangements for the purchase of homes for sale within the three estates ahead of any planned regeneration works. A budget has been allocated by CHMP for this activity and a new post created to manage it. Valuation of a number of properties is underway or imminent. CHMP advise that the approach will:

- Help existing residents who wish to leave ahead of any proposed regeneration activity to do so.
- Help reduce the perception that the regeneration plans make it harder to sell homes across the three estates, though currently there is no evidence of this.
- Allows homes to be secured which CHMP may need to acquire at a later date anyway.

2.17.2 Discussions are planned between the Council's Community and Housing and Department and CHMP to better understand how those newly acquired properties can be used to help both LBM and CHMP discharge respective housing responsibilities to the maximum advantage of those in housing need in the Borough.

2.18 Exploring where residents might live during the building work

2.18.1 As part of the master planning process CHMP's design teams will prioritise the drafting of a phasing plan for the three estates. This will in turn inform where people might live while building work could take place. CHMP advise that the phasing plan should be ready in the early autumn 2014.

2.18.2 CHMP's preferred approach, should the regeneration proposals go ahead, would be to build homes on three estates without recourse to demolition, i.e. build new homes first on available sites allowing residents to move directly into those homes (which they will see under construction) and without the need for a temporary decant. CHMP advise that early indications from their architects are that this may well be possible on all three estates and would encourage close resident involvement in designing early phases of new housing.

2.19 Property Type, Size and Layout

2.19.1 CHMP has committed should regeneration proposals go ahead to rehouse its tenants based on their housing needs, which in many case would redress the overcrowding some families currently face. A housing needs assessment has largely been completed in support of that commitment. Similarly, homeowners may or may not wish to stay in the new neighbourhoods or might have wholly different accommodation requirements in the future.

2.19.2 CHMP advise that the master planning work will need to take account of a number of factors such as density, building heights, construction and site constraints, to inform quantum and typology of new homes. Critically, CHMP will also need to take account of anticipated changes in demography, patterns of work and travel, family size and climate conditions to ensure future proofed neighbourhoods for decades to come.

2.20 Housing Supply

2.20.1 It is CHMP's belief that if regeneration proposals proceed it can develop a decant strategy and acquire sites and homes which helps reduce any risk to LBM's nomination rights throughout the course of the regeneration. However CHMP also acknowledge the critical need to work closely with LBM, particularly with colleagues in LBM's Community and Housing Department to ensure identification of all housing implications of regeneration proposals and subsequently develop proposals and operational arrangements which are acceptable to all parties. Activities such as Early Buy Back arrangements and LBM's consideration of enabling powers such as its land ownership, may offer opportunities to help improve the housing offer to families and individuals in housing need, but this is something which will need careful and detailed discussions between all parties over the coming months.

2.20.2 CHMP advise that it is actively exploring ways of ensuring the current private sector housing offer on the three estates is maintained. This is partly to support individuals' existing businesses but it is also to try and minimise any negative impact on current private sector tenants. CHMP acknowledges the vulnerability of Merton private sector tenants given the limited opportunities for LBM or CHMP to support them in their tenancies. The regeneration plans they are promoting should help ensure that the quality of private rented accommodation on the three estates is improved significantly and supply increased.

2.20.3 The regeneration proposals, should they go ahead, will include an element of new build for private renting and new homes for sale, and aims to make a substantial contribution to both LBM's and London's acute housing needs. Further discussions will take place depending on the outcome of financial modelling around; overall viability, the proportion of any new homes for sale / private rental and affordable housing provision.

2.21 Estates Regeneration Local Plan

2.21.1 Merton's Local Plan is up-to-date and includes:

- Merton's Core Planning Strategy 2011
- Merton's Sites and Policies Plan 2014
- South London Waste Plan 2012

The Mayor's London Plan 2011 is also part of the development plan for Merton.

2.21.2 At the time of preparing the London Plan and Merton's Local Plans, including the recent Sites and Policies Plan, CHMP had not consulted their residents nor undertaken enough assessment work and so was not in a position to submit their regeneration proposals for inclusion within the Local Plan. The estates are not referred to nor allocated for redevelopment in the council's Local Plans, the London Plan or associated supplementary documents.

2.21.3 LBM officers have sought legal advice from counsel on the most robust and efficient strategic planning framework process to guide the estates regeneration process. LBM Officers have been advised by counsel that preparation and adoption of a statutory Local Plan will provide the most appropriate planning process to ensure robust consultation with residents, adjoining landowners and anyone else who might be affected.

2.21.4 The proposed Estate Regeneration Local Plan will cover land owned by CHMP. Therefore it is integral to the delivery of the Local Plan, that it is prepared jointly in partnership with CHMP. A Terms of Reference will be established and agreed by LBM/CHMP for the proposed joint partnership Local Plan preparation.

2.21.5 Once adopted the Council's Estates Regeneration Local Plan will form part of the suite of documents that make up Merton's Local Plan.

2.21.6 Each time a local planning authority prepares a Local Plan to guide development in its area; it must publish a project plan setting out:

- the title of the new Local Plan
- what part of the borough the Local Plan will cover
- a summary of what will be in the new Local Plan
- a timetable for its production, including when people and organisations would be able to have their say on a draft of the Local Plan.

2.21.7 This project plan is known as a Local Development Scheme. Once the Local Development Scheme has been adopted by council, it will be published on the council's website and in local libraries.

2.21.8 In line with the Localism Act 2011, the Local Development Scheme no longer has to be sent to the Secretary of State for their approval. However for London boroughs, the Mayor of London must approve the Local Development Scheme before council can adopt it.

2.21.9 Should council resolve to update Merton's Local Development Scheme as the project plan for the Estates Regeneration Local Plan, it will then be sent to the Mayor of London for his approval. Should the Mayor approve it, it is recommended that the publication of Merton's Local Development Scheme be delegated to the Director of Environment and Regeneration in consultation with the Cabinet Member for Environmental Sustainability and Regeneration.

3 ALTERNATIVE OPTIONS

- 3.1. Decent Homes works as agreed will continue to be implemented and CHMP will not proceed with any consultation or carry out any regeneration.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Initial consultation with residents on the three estates was undertaken by CHMP between July – September 2013.
- 4.2. Section 5 of this report (below) sets out the proposed consultation stages to be undertaken for the preparation of the proposed Local Plan.

5 TIMETABLE

- 5.1. The timetable proposed for the preparation of the proposed statutory Estates Regeneration Local Plan is as follows and would be set out in Merton's Local Development Scheme:
- Autumn 2014 / Winter 2014 - First Consultation Stage - Issues and Options
 - Winter 2014/Spring 2015 - Second Consultation Stage – Preferred Options
 - Winter / Spring 2015 - Third Consultation stage – Preferred Option
 - Summer / Autumn 2015 – Submission Stage sign-off by Council
 - Summer / Autumn 2015 – Pre-Submission Publication
 - Autumn / Winter 2015 – Submission to the Secretary of State who appoints an independent planning inspector to examine the Local Plan
 - Autumn / Winter – 2015 – Examination of Local Plan, including public hearings (timetable set by the planning inspector)
 - Winter 2015 / Spring 2016 – Subject to passing the independent examination, Council can adoption Estates Regeneration Local Plan
- 5.2. Cabinet is requested to resolve to update Merton's Local Development Scheme to reflect preparation of the proposed Estates Regeneration Local Plan and the indicative timetable for preparation of this Plan as set out in paragraph 5.1 above.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. CHMP has committed to an open book accounting process to facilitate the understanding of the impact on residents and council services. Issues are currently being assessed, to be brought back to CMT/LSG/Cabinet in due course as appropriate to determine appropriate courses of action and funding if required and / or necessary.
- 6.2. As a result of not bringing the existing properties up to the decent homes standards, via the current decent homes programme on the three estates, the Council would forgo VAT Shelter receipts of up to 17.5 % of the costs of the required development works. However, the Council could benefit from a

claw-back of 5% of the value of new dwellings sold from the redeveloped estates should the regeneration option proceed.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The Town and Country Planning (Local Development)(England) Regulations 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012 have both set out the statutory procedure to be followed before a Local Plan is submitted to the Secretary of State for independent examination. The proposed Estates Regeneration Local Plan will be prepared in accordance with both sets of regulations as and when they apply.
- 7.2. Failure to adhere to the statutory procedure or a lack of robust evidence to support the plan may result in legal proceedings to challenge the validity of the plan.
- 7.3. CHMP have a legal obligation under the Transfer Agreement to carry out the Qualifying Works which is enforceable by the Council. By suspending the legal obligation for the period stated, CHMP will not be obliged to carry out any of the Qualifying Works, on High Path, Eastfields and Ravensbury Estates and the Council will have no legal redress to enforce them to do so during the period of the suspension.
- 7.4. For the suspension to be put into effect the Transfer Agreement and any other relevant ancillary documents to it shall be varied by a formal Deed of Variation between CMHP and the Council on terms that are satisfactory to both parties.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. An Equalities Impact Assessment will be prepared in conjunction with the proposed Local Plan.
- 8.2. The Local Plan preparation will also be informed by an on-going Strategic Environmental Assessment and Sustainability Appraisal, prepared in parallel with each stage of this Plan and used to ensure that the Plan delivers social, economic and environmental benefits equally. Some of the objectives that the proposed Local Plan will be appraised against relate to improving community cohesion.
- 8.3. CHMP has undertaken an equalities impact assessment on the consultation it has carried out to date, which has informed its methods of consultation going forward. As CHMP move forward to make further decisions regarding the proposed regeneration it will carry out further impact assessments in order to ensure that all equalities duties are complied with and that it considers any impact of the proposals on those with protected characteristics (as defined in the Equality Act 2010). Its consultation activity will help inform the impact assessments.

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

11.1. Appendix 1 - Local Development Scheme 2014-17

11.2. Appendix 2 - Maps indicating what parts of the borough the Local Plan will cover

12 BACKGROUND PAPERS

12.1. Further information is available at www.mertonregen.org.uk