


<b>Cabinet</b>	 <b>TOWER HAMLETS</b>
16 October 2024	
<b>Report of: David Joyce</b> – Director of Housing & Regeneration	<b>Classification:</b> Unrestricted
<b>Harriott, Apsley &amp; Pattison (HAP) Houses Regeneration Scheme - Resolution to make a Compulsory Purchase Order</b>	

<b>Lead Member</b>	Councillor Kabir Ahmed
<b>Originating Officer(s)</b>	James Walsh – Housing Regeneration Manager Monju Ali – Housing Supply & CPO Co-ordinator
<b>Wards affected</b>	Stepney Green
<b>Key Decision?</b>	Yes
<b>Forward Plan Notice Published</b>	Yes
<b>Reason for Key Decision</b>	Financial threshold
<b>Strategic Plan Priority / Outcome</b>	<ol style="list-style-type: none"> <li>1. People are aspirational, independent and have equal access to opportunities;</li> <li>2. A borough that our residents are proud of and love to live in.</li> </ol>

## 1. EXECUTIVE SUMMARY

- 1.1 This Report seeks authorisation for Officers to make, seek confirmation and give effect to a Compulsory Purchase Order (the **Order**) from the Secretary of State, which will empower the London Borough of Tower Hamlets (the **Council**) to acquire property interests within the land known as the Harriott, Apsley & Pattison Houses (**HAP Houses**) the boundaries of which are shown in red on the plan at Appendix 1 (the **Order Land**).
- 1.2 Approval of this Report's recommendations will help facilitate the Council's proposed regeneration of the Order Land and **Estate** (being the wider HAP Houses estate the extent of which is shown edged red on the plan at **Appendix 2**). The proposed development comprises a residential-led mixed-use development, comprising the delivery of more than 400 new homes and a new community centre on Council-owned land currently occupied by existing housing blocks and two community buildings (the **Scheme**).
- 1.3 The Scheme is being led by the Council and was approved by Cabinet on 15 December 2021 (the **2021 Cabinet**). The 2021 Cabinet approved the Scheme by way of making the following key resolutions:
  - (a) Approval of a budget of £86,000,000 to fund the first three years of the delivery programme to include assembly costs and settlements, fees associated with design, procurement and legal activities and delivery of the first phase of development, subject to planning (which the Council's Development Committee has now resolved to grant);
  - (b) Agreement that a demolition notice be implemented across the Estate to allow land assembly;
  - (c) Noting the intention to bring a further report to Cabinet on the use of Compulsory Purchase powers to empower the Council to acquire all necessary property and land interests to facilitate the delivery of the Scheme;
  - (d) Agreement to the principle of relocating the Redcoat Community Centre and Mosque; and
  - (e) Agreement to the procurement route to secure a development partner/build contractor to deliver the Scheme.
- 1.4 On 31 January 2024 Cabinet resolved that it was willing, in-principle, to use compulsory purchase powers across the Order Land, to secure the delivery of the Scheme. It was noted that a further report would be taken to Cabinet to recommend the formal making of a compulsory purchase order.
- 1.5 This Report also seeks acknowledgement that, subject to the approval of the Secretary of State, the Council will seek to rely on powers of appropriation

contained in section 203 of the Housing and Planning Act 2016 to allow interference with existing rights annexed to adjoining land which may adversely affect the Estate. This acknowledgement is sought following Cabinet's decision on 31 January 2024 which resolved that the Council may take all necessary steps to affect the appropriation of the Estate.

## **2. RECOMMENDATIONS:**

2.1 In relation to the Order, the Mayor in Cabinet is recommended to:

2.1.1 **Agree** that there is a compelling case in the public interest to justify the making of the Order to include interests that must be acquired to facilitate the redevelopment of the Order Land for the reasons detailed in this Report;

2.1.2 **Agree** that the public interest in enabling the development of the Order Land to proceed outweighs the interference with relevant rights under the European Convention on Human Rights as discussed in this Report;

2.1.3 **Resolve**, further to the Cabinet report dated 31 January 2024, to make the Order to include all land interests within the red line boundaries shown on the plan at Appendix 1 and any other new rights or third-party rights necessary in order to facilitate the regeneration of the Order Land by the Council to provide new and improved housing, and community facility;

2.1.4 **Delegate** authority to the Corporate Director of Housing and Regeneration and the Director of Legal Services and Monitoring Officer (in consultation with the Mayor) the power to effect the making, confirming and implementation of the Order;

2.1.5 **Delegate** authority to the Corporate Director of Housing and Regeneration and the Director of Legal Services and Monitoring Officer (in consultation with the Mayor) to take all necessary steps to give effect to the Order, including, but not limited to, the following procedural steps:

- (a) Progressing and finalising the Statement of Reasons to properly reflect the Council's position regarding the Order so as to properly present the Council's case;
- (b) Making any reductions and/or amendments, if necessary, to the extent of the land included in the draft Order Map annexed at Appendix 1 or to effect the withdrawal of objections to the Order;
- (c) Preparing and making the Order and Schedule to the Order;
- (d) Power to remove from the Order any interest no longer required to be compulsorily acquired and to amend interests in the Schedule to the Order (if so advised) and to request that the Secretary of State makes any changes to the Order prior to confirmation as may be appropriate;

- (e) Publicising and serving any press, site and individual notices and other correspondence for such making of the Order;
- (f) Making any ancillary orders and the exercise of any of the Council's planning functions to give effect to the Order;
- (g) Paying all costs associated with making the Order, including the compensation payable to landowners;
- (h) Appointing external consultants to assess, agree and pay any compensation and claims arising from redevelopment of the Order Land pursuant to the Order;
- (i) Seeking confirmation of the Order by the Secretary of State, including the preparation and presentation of the Council's case to the Secretary of State / Inspectors as necessary or, if permitted by the Secretary of State pursuant to Section 14A of the Acquisition of Land Act 1981 (the **1981 Act**), to confirm the Order;
- (j) Appointing a professional team, including legal professionals and experts, and assembling any witnesses necessary to assist the Council in the preparation and presentation of the Council's case at a Public Inquiry (if any);
- (k) Publicising and serving notices of confirmation of the Order and thereafter to execute and serve any General Vesting Declarations and/or notices to treat and notices of entry, and any other notices or correspondence to acquire those interests permitted by the Order; and
- (l) Acquiring title to and/or taking possession of the Order Land and this shall include the power to take all necessary statutory procedural steps required to facilitate such acquisition of title and possession of the Order Land;

2.1.6 **Delegate** authority to the Corporate Director of Housing and Regeneration and the Director of Legal Services and Monitoring Officer (in consultation with the Mayor), to agree the terms of and enter into any documentation required to settle any property matters necessary to progress the Scheme, including, but not limited to:

- (a) negotiating and monitoring of agreements with landowners and/or statutory undertakers as applicable;

- (b) setting out the terms for withdrawal of any objections to the Order, including where appropriate seeking exclusion of land or new rights from the Order; and
- (c) referral and conduct of disputes relating to compensation payable pursuant to the Order at the Upper Tribunal (Lands Chamber);

2.2 In relation to the appropriation the Mayor in Cabinet is recommended to:

2.2.1 **Acknowledge** that further to Cabinet's decision on 31 January 2024 and subject to consent first being given by the Secretary of State in respect of the appropriation, the Council shall rely on powers of appropriation in section 203 of the Housing and Planning Act 2016 to override existing rights over the Estate.

### 3. REASONS FOR THE DECISIONS

3.1 The decisions sought in this Report are to enable the delivery of the Scheme allowing the provision of more than 400 new homes and a new community centre.

3.2 The redevelopment of HAP Houses will secure a number of public benefits, including:

- i) Increasing the supply of affordable housing, for which there is an acute need;
- ii) Providing local economic investment, including job and training opportunities;
- iii) Improving housing stock; and
- iv) Improving public realm.

3.3 It is therefore considered that the Scheme would contribute towards the promotion and improvement of the economic, social and environmental well-being of the borough.

3.4 The regeneration of the Estate has been identified as a priority in the Council's capital programme for building new homes. The 2021 Cabinet made various resolutions to progress the delivery of the regeneration project at Stepney for the redevelopment of the Estate, including approving a budget to progress the delivery. Cabinet also authorised officers to enter into agreement with affected landowners necessary to facilitate the scheme (please see paragraph 1.3 and 1.4 for further details of the resolutions passed).

3.5 On 31 January 2024 Cabinet resolved to agree in principle to the Council using its compulsory purchase powers and to appropriate land for planning purposes to facilitate the regeneration of the Order Land to deliver the regeneration objectives.

## **4. ALTERNATIVE OPTIONS**

4.1 The alternative options to making the Order are:

- (a) Refurbish and retrofit the existing buildings; or
- (b) Adopt a do-nothing approach.

### **4.2 Refurbishment:**

4.2.1 Consideration was given to the potential to refurbish the existing buildings. However, the refurbishment option would only result in the improvement to housing already on the Estate and of that housing it was only the 36 socially rented homes and communal areas within the Council's control which could be refurbished, leaving the other 64 dwellings and the Community Centre and Mosque in their pre-existing state.

4.2.2 Further, refurbishing the pre-existing housing would not result in any uplift in the number of homes which could, if making proper use of the space on the Estate, be provided and would fail to provide housing of the right number of bedrooms and sizes to meet the current demands within the Estate and resolve concerns of overcrowding.

4.2.3 Consequently, refurbishment was considered an impractical and inefficient option to seek to repair and improve the Estate if the Scheme benefits as set out in Section 8 are to be realised and delivered.

### **4.3 Do nothing**

4.3.1 The Council has sought to acquire the Order Land by negotiation. An overview of the efforts and negotiations that have taken place with a view to acquiring the required land and rights are set out at Section 9 of this Report. Despite the efforts and progress made to date, the Council has not been able to come to an agreement with all leaseholders. Whilst the Council will continue to negotiate with individual land interests, it is evident that the absence of the Order to support the Scheme could have negative impacts on the deliverability of the Scheme, including:

- (a) Risk to land assembly, jeopardising or delaying delivery of the Scheme. Any such delays may also lead to higher delivery costs which in turn may impact the viability of the Scheme;
- (b) Ability of just one or more individual leaseholder to delay or prevent the Scheme;
- (c) Uncertainty for leaseholders and their tenants as to whether the Scheme will progress; and

- (d) Unfairness to those leaseholders who have already sold their property to the Council in accordance with the Leaseholder Offer on the understanding that their property would otherwise be subject to the proposed Order.

## **5. BACKGROUND INFORMATION**

- 5.1 Increasing the supply of affordable housing is a significant priority for the London Borough of Tower Hamlets. There are currently more than 24,000 households on the Council's Housing Register (as of August 2024). 44% of households within the borough live in income poverty whilst the average cost of a property in the borough is more than 14 times (approximately £450,000) what a typical essential worker could earn in wages (£35,000). Consequently, a significant number of affordable homes are required in order to meet this need. As part of meeting the need for affordable homes several Council-owned sites across the borough have been identified for infill development. The Estate is one of those opportunity sites identified in the Stepney Green area.
- 5.2 London's current population of approximately 9 million people is expected to grow to over 10 million over the next two decades. In east and southeast London, an increase of 600,000 is forecast to reach a population of 2.9 million by 2031. Providing sufficient housing and employment to meet current and future demand is a strategic priority for London's Local Authorities, the Mayor of London, and the Government. At a local level, the population of Tower Hamlets is likely to increase by 26% by 2026. The Council's Local Plan (January 2020) identifies the need to accommodate 58,965 new homes and 125,000 new jobs by 2031 and these figures may be subject to further changes following the election of the new Labour Government on 4 July 2024.
- 5.3 Housing has an important role in shaping healthy places, preventing ill health, supporting residents into work and tackling child poverty. The Council's Strategic Plan sets a corporate objective of delivering 1,000 social homes every year.
- 5.4 The Order Land comprises residential flats, the Redcoat Community Centre and Mosque. The Council is the freehold owner of the Order Land (including the buildings located upon it) but there are a number of resident and non-resident leaseholders holding interests in the Order Land.
- 5.5 The Order Land is situated in the Stepney Green ward. The Estate has an overall area of approximately 1.79 hectares and comprises three housing blocks and two community buildings. Built in 1954, the three mid to high rise housing blocks comprise 100 flats and maisonettes, of which 36 are social rented homes, 34 are owned and occupied by resident leaseholders and the remainder owned by non-resident (investor) leaseholders. The community provision includes the Redcoat Centre, a single storey building from which Adult Services were delivered and Redcoat Community Centre (Mosque), comprising 4 connected single-storey portacabin structures. In total, there are 58 car parking spaces on the Estate. There is also within the Estate an existing

substation and ancillary storage facilities utilised by residents of HAP Houses on a licence basis.

5.6 In July 2019, the Council started to talk to residents of HAP Houses, the Redcoat Community Centre and Mosque and other stakeholders about the potential to regenerate the Estate. A Resident Ballot was subsequently held between 18th March and 9th April 2020. The majority of residents voted in favour of redevelopment. As part of a comprehensive consultation process, local residents and stakeholders have contributed to the vision for the future development and the emerging design proposals.

5.7 The Council's Landlord Offer (**Appendix 3**) was presented to residents prior to the opening of the ballot. The following promises were made to residents:

- We will keep the community together;
- More council homes for social rent;
- Reduced crime and anti-social behaviour through better design;
- New homes at social rents for all existing council tenants;
- Options to suit every resident leaseholder;
- Addressing overcrowding on the estate through the provision of new affordable homes;
- One move to a new home, wherever possible;
- Financial compensation and all reasonable moving costs paid;
- Current street parking permits guaranteed;
- Residents' Panel representing residents in decision making and shaping the future of their estate; and
- Door-to-door moving support for older and vulnerable residents.

5.8 Details of the Council's attempts to negotiate the voluntary acquisition of leaseholder interests are contained at section 9 of this Report.

5.9 Planning permission ref. PA/21/02703 was granted on 9 August 2023 in respect of the regeneration of the Estate (the **2023 Permission**). The Council submitted a further application on 1 March 2024 allocated reference PA/24/00368 to secure a new location within the Order Land for the Redcoat Community Centre and Mosque so that it is located within a standalone building, rather than being located below residential flats as per the consented 2023 Permission (the **Planning Application**). On 12 June 2024, the Development Committee resolved to grant planning permission pursuant to the Planning Application (the **Planning Permission**). It is anticipated that the Planning Permission decision notice will be issued imminently once matters



pertaining to conditions and planning obligations have been finalised with the local planning authority.

- 5.10 The Planning Permission is for the redevelopment of the Estate comprising the demolition of existing buildings (including HAP Houses, the Redcoat Community Centre and Mosque) to provide 407 residential units (Class C3) across buildings ranging in height from 4-8 storeys and community centre building of 1,167m<sup>2</sup> GIA (Class E (e-f), Class F1 (e-f), Class F.2 (b)), together with associated landscaped communal amenity space, accessible car parking, secure cycle parking spaces and refuse/recycling storage facilities the benefits of the proposed redevelopment of the Estate are explained in more detail below.
- 5.11 The Invitation To Tender (ITT) for a development partner was published in February 2024. Negotiations with bidders have commenced and it is anticipated that a final report will be issued to Cabinet in July 2025.
- 5.12 On 31 January 2024 Cabinet granted approval for the Council to take all necessary steps to affect the appropriation of the Estate for planning purposes in accordance with section 122(1) of the Local Government Act 1972. The consent of the Secretary of State is being sought pursuant to Section 19(2) of the Housing Act 1985 to confirm the Council may appropriate the Estate. Once consent of the Secretary of State is given, the Council will be entitled to appropriate the Estate and will be able to benefit from the powers contained in section 203 of the Housing and Planning Act 2016 to allow interference with existing rights annexed to adjoining land that may adversely affect the Estate. Section 203 does not extinguish adjoining owners' rights but allows a specific development to proceed in accordance with the grant of a planning permission. The Council has sent letters to potentially affected parties to make them aware that section 203 may be relied upon in respect of the development.
- 5.13 This report seeks acknowledgement that the Council shall rely on section 203 powers. The statutory objective of section 203 is that, provided that the development is undertaken in accordance with a planning permission and subject to other criteria being satisfied, a local authority should be permitted to develop its land in the manner in which it, acting bona fide, considers will serve the public interest and to that end it is recognised that a local authority should be permitted to interfere with third party rights. Where a third party's rights are infringed or interfered with as a result of the local authority exercising its powers under section 203, such parties are entitled to compensation in accordance with section 204 of the Housing and Planning Act 2016. The amount of compensation payable will be equivalent to the diminution in the value of the affected interest.

## **6. THE USE OF COMPULSORY PURCHASE POWERS**

### **6.1 Statutory Powers**

- 6.1.1 The Council is empowered by section 226(1)(a) of the Town and Country Planning Act 1990 (the **Act**) to compulsorily acquire land in order to facilitate

the carrying out of development, redevelopment or improvement on or in relation to land in its area.

6.1.2 Pursuant to section 226(1A) of the Act, the Council must not exercise the power under Section 226(1)(a), unless it thinks that the proposed development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social and/or environmental well-being of its area.

6.1.3 Cabinet is directed to Section 8 of this Report which sets out why the Council considers that the proposed Order will satisfy the provisions of Section 226 of the Act and will deliver the well-being objectives required by Section 226(1A). The Statement of Reasons to be submitted when the Order is made, will provide greater detail as to why the Council considers that the Order falls within these provisions.

## 6.2 **Relevant Considerations and Justification for a Compulsory Purchase Order**

6.2.1 The relevant considerations for the purposes of any resolution to use compulsory purchase powers are set out in this Report.

6.2.2 DLUHC's guidance on the compulsory purchase process and The Crichel Down Rules (2019) (the **Guidance**) also sets out the considerations to be applied when making a resolution to exercise such powers and the factors which will weigh with the Secretary of State when deciding whether to confirm a compulsory purchase order (**CPO**).

6.2.3 In assessing the Planning Application, the Council's Development Committee will have had regard to local and national planning policy. On 12 June 2024 the Development Committee resolved to grant the Planning Permission. The Council therefore considers that the proposals for the Scheme are supported by planning policy at national, regional, and local level and that there are no planning impediments to the Scheme coming forward.

6.2.4 The Scheme is consistent with policy objectives of the National Planning Policy Framework (the **NPPF**), the London Plan (2021) and the Council's Local Plan (adopted on 15 January 2020). The Scheme presents an opportunity for redevelopment to create a landmark development, creating a sense of identity, providing modern homes and community facilities. The various relevant policies, and the extent to which the Scheme complies with them, will be set out in greater detail in the Statement of Reasons.

6.2.5 The Council has consulted widely on the proposed regeneration of the Estate and has undertaken an extensive engagement exercise with existing residents of the Estate, as well as other stakeholders.

6.2.6 It is considered that the current housing results in an ineffective use of the Estate. The existing blocks are poorly organised on the Estate with a significant amount of green areas that have little practical value to residents (and the general locality). There is an opportunity to replace relatively low-

density, poor-quality housing with a higher density of high-quality homes and to deliver more homes for larger families. Significant improvements can also be made to the living environment for residents and to the public realm.

6.2.7 Capacity studies, the 2023 Permission and the Planning Permission have shown that regeneration of the Estate offers the opportunity to provide in the region of over 400 new homes, in place of the existing 100 homes. In comparison to other estates in the borough, the Estate has great potential for site optimisation and has the potential to deliver a significant net increase in the number of overall homes including the delivery of new affordable Council homes. Further details as to the current housing figures in the Council's borough can be found at Section 5 of this Report.

6.2.8 The current housing on the Estate is also outdated and inefficient and is consequently not suitable for modern day living. In particular, the housing suffers from:

- Poor thermal and acoustic insulation in comparison to current building regulation requirements resulting in a higher fuel costs;
- Poor quality public realm including inadequate refuse disposal and collection facilities and poor-quality external amenity provision; and
- Inadequate security to the area leaves individual homes vulnerable to anti-social behaviour (ASB) and low-level crimes.

6.2.9 The Council does not consider that these issues can be addressed through refurbishment of the Estate or by piecemeal regeneration.

## **7. THE SCHEME**

### **7.1 The Scheme**

7.2 The Scheme proposes the comprehensive redevelopment of the Estate.

7.2.1 The Council considers that the Scheme pursuant to the Planning Permission will deliver qualitative and quantitative improvements to the existing housing stock to meet local housing need, improve social facilities and environmental amenity, and is supported at all levels of current planning policy.

7.2.2 The proposed new homes are arranged within two perimeter blocks, with a new central green street between them. Each has its own secure private internal courtyard. The Scheme will provide an improved accessible, well-connected and sustainable network of open space and high-quality public realm.

7.2.3 Each building within the perimeter blocks will have its own secure entrance and the right-hand perimeter block will have podium parking for the wheelchair-accessible homes. All the buildings will have separation distances of at least 18m to maintain good levels of privacy and prevent any unreasonable overlooking.

- 7.2.4 The new homes are being designed to meet the planning policy requirements for sustainability, aiming to achieve an estimated site-wide CO2 emission reduction of at least 45% over the Target Emission Rate (TER) using the SAP 10 emission factors, through a combination of energy conservation measures, renewable heat, and electricity generation technologies, such as Photovoltaic solar panels (PV) and Air Source Heat Pumps (ASHP).
- 7.2.5 This Scheme will be car-free, with the exception of the provision being made for accessible car parking on site. Existing tenants will be able to retain their rights to apply for a parking permit after transferring into one of the new homes in the proposed development, but this will be for general on-street parking only (CPZ permit). Provision will be made for cycle parking in accordance with planning policy requirements.
- 7.2.6 The tables below detail the new homes intended to be provided pursuant to the Planning Permission: -

**Table 1 – Schedule of re-provided homes accommodation**

Tenure Type	Tenure Mix - Units (%)	Unit Mix	
		Unit Size	Unit Count
Existing Resident Leaseholders	28	1 Bed	0
		2 Bed	4
		3 Bed	19
		4 Bed	5
Existing Secure Tenants	36	1 Bed	1
		2 Bed	9
		3 Bed	21
		4 Bed	5
<b>TOTAL REPROVISION</b>	<b>64</b>		

**Table 2 – Schedule of accommodation pursuant to the Planning Permission**

Tenure Type	Tenure Mix - Units (%)	Unit Mix	
		Unit Size	Unit Count
Affordable Rent	111 (32.6%)	1 Bed	28
		2 Bed	26
		3 Bed	39
		4 Bed	18
Private Sales	232 (67.4%)	1 Bed	82
		2 Bed	123
		3 Bed	27
		4 Bed	0
<b>TOTAL ADDITIONALITY</b>	<b>343</b>		

7.3 **Redcoat Community Centre and Mosque (RCCM)**

7.3.1 The new standalone facility is more desirable for the community group as it will make management significantly easier. The previous design comprised part of a housing complex which meant that there would need to be careful monitoring of noise and users around the building to avoid amenity concerns arising. The new facility will provide clear demarcation of services to the Estate and to the community building. The community group always had a desire for its own facility hence why it initially submitted its own planning application to develop on the existing land. This opportunity will allow the community group to be part of the wider regeneration scheme and also obtain a purpose-built facility whilst remaining within the Estate.

#### 7.4 **Phasing**

7.4.1 The Scheme is currently anticipated to be delivered in two phases. The first phase would involve the demolition of the existing Redcoat office which is located in the corner of Stepney Way and Wellesley Street and the removal of the existing pram sheds next to Harriott House. Once those sites are clear, phase 1 construction would commence and it is anticipated that phase 1 construction would take approximately 2.5 years to complete.

7.4.2 Phase 2 would involve the demolition of HAP Houses and the remaining construction would commence. It is anticipated that Phase 2 construction would take a further 3 years to complete.

7.4.3 The Council anticipates that the Scheme's construction period will take approximately 5 to 6 years to complete. The construction programme for the Scheme aims to maintain the running of the Redcoat Community Centre while the construction period for phase 1 takes place. It is envisaged that the Redcoat Community Centre and Mosque will move in a single decant in phase 1, to avoid severe disruptions and ensure a normal running of service.

7.4.4 The Council is however, currently in the process of procuring a development partner to bring forward the Scheme. Consequently, the above phasing may be subject to amendments following appointment of the development partner, having regard to the practicalities of construction. The Council will, however, move existing residents of HAP Houses in line with the Leaseholder Offer, which provided for a single decant where possible.

### 8. **THE SCHEME AND ITS PUBLIC BENEFITS**

8.1 A summary of the benefits of the Scheme is as follows. A Statement of Reasons will also be submitted following this Cabinet and will provide a more detailed analysis of the public benefits arising from the Scheme.

#### 8.2 **Social benefits**

8.2.1 The residential proposals for the Estate comprise the re-provision of high-quality affordable housing to compensate for the loss of the existing poor quality housing stock which will help meet local housing needs, relieving pressures on the Council's housing list and delivering homes of the right size to better meet household needs. The proposals will also introduce new market

units to the area and expand the local community. The provision of a range of dwelling sizes will meet the needs of different occupiers and will assist in creating a strong and balanced community. The Scheme will also be an opportunity for qualifying adult children of existing residents who are on the housing register to be re-housed in the new development at the same time as their parents. This offer is open to all secure tenants and resident leaseholders and applicable to one member per household.

8.2.2 Drawing on the above, based on the Planning Permission, the headline social benefits are:

- (a) A total of 111 new affordable rented homes;
- (b) 36 replacement social rent homes for existing tenants and 111 additional GLA funded social rent homes which includes 22 homes to be provided for qualifying adult children of secure tenants and resident leaseholders;
- (c) Homes for shared equity sale to enable resident leaseholders to remain on the new development;
- (d) 63% of the homes within the affordable rented tenure will be family size;
- (e) 10% of additional homes are wheelchair accessible homes with 24 of these being provided within the affordable tenure;
- (f) A new and improved community centre/mosque;
- (g) 232 market homes to cross subsidise the affordable housing provision and provide diversity of tenure; and
- (h) All new homes will meet modern living standards.

8.2.3 Of the total 407 new homes being developed (as per the Planning Permission), 343 of these are additional homes, of which 232 (668 habitable rooms) are private and 111 (440 habitable rooms) affordable. Of the 343 additional homes being provided, by habitable room, 40% are being provided as affordable homes.

### 8.3 **Economic benefits**

8.3.1 The Scheme will also contribute to economic growth during the construction period.

8.3.2 Construction and new development opportunities create a range of employment opportunities within local and wider economy and has been acknowledged by the Government as a key driver for boosting housing delivery as required by the National Planning Policy Framework (NPPF). Construction of the Scheme will support jobs directly on the Estate during the

development phase as well as indirectly by supporting additional jobs in the supply chain.

- 8.3.3 The Scheme will also contribute to the economic role of sustainable development by delivering land to improve choice and competition in the residential marketplace. The Council will seek to secure employment and training opportunities targeted at local people to ensure residents of the borough have the chance to benefit from the employment the Scheme will deliver.

#### 8.4 **Environmental benefits**

- 8.4.1 The redevelopment of the Estate will remove the existing poor-quality buildings, extensive hard surfacing and under-utilised land around the Order Land and will provide new buildings of high-quality design which are more sustainable than the existing buildings on the Estate.

- 8.4.2 The proposals include extensive improvements to the public realm, improving the local environment for residents. The proposals seek to introduce a variety of soft landscaping areas to the Estate comprising communal garden spaces located in the courtyard areas and a centrally located new square which will deliver ecological and environmental benefits to the Estate and surrounding area. There will be scope for play with new play equipment targeted to 0–5 year age range, as well as multigenerational spaces such as the allotments in the courtyards which could be allocated to households to allow them to grow their own fresh produce.

- 8.4.3 The new homes will be built to modern standards which will aim to promote biodiversity. For example, current proposals are for new buildings to have green roofs to encourage biodiversity.

- 8.4.4 The Scheme is assisting in delivering the Council's Local Plan targets for delivery of affordable homes, place making, decarbonising our housing stock, and providing homes that meet high sustainability standards.

### 9. **NEGOTIATIONS WITH LEASEHOLDERS**

- 9.1 The Council commenced the buyback programme in June 2023 and is in active negotiations with leaseholders who have a relevant land interest in the Estate. Acquisition or agreements in relation to property interests is necessary to progress with the development in accordance with the programme. The Statement of Reasons to be submitted when the Order is made will provide greater detail of the Council's engagement and negotiations with leaseholders. In summary:

- (a) All leaseholders in the Order Land have received or had access to the Homeowners Guidance brochure which is a guide detailing the compulsory purchase process and the options available to both resident and non-resident leaseholders on the Estate;

- (b) A letter was issued to all residential and non-residential leaseholders within HAP Houses providing an overview of the process of selling properties back to the Council and included comprehensive guides on compulsory purchase and a guide to compensation entitlements;
- (c) In June 2023 a letter was issued to leaseholders informing them that the Council was ready and able to purchase those properties which leaseholders wished to sell and invited leaseholders to seek a valuation of their properties if they so wished. This correspondence reiterated the shared equity scheme available to resident leaseholders should they wish to discuss this with the Council;
- (d) In November 2023 a further letter was issued to those leaseholders who had not yet engaged with the Council offering a further opportunity to discuss their situation with the Council and offering a further opportunity to book a valuation of their property;
- (e) In April 2024 two drop-in sessions were held on the Estate for all leaseholders and tenants to attend and discuss the Order and the Council's buyback programme. These sessions were advertised by the Council by way of letters, posters and door knocking exercise; and
- (f) In August 2024 a further letter was issued to those leaseholders who had not yet responded to earlier correspondence or with whom discussions had fallen silent. This letter informed these leaseholders that the Council was pursuing a compulsory purchase order and encouraging them to correspond with the Council.

9.1.1 The Council will continue with its attempts to voluntarily achieve negotiated settlements with all those who own property interests in accordance with the Council's Landlord Offer (**Appendix 3**), an approach consistent with the Guidance. To date, the Council has acquired 5 resident leaseholder's interest and 7 non-resident leaseholder's interests in the Order Land, leaving a total of 51 leasehold interests to be acquired (comprising 27 resident leaseholders and 24 non-resident leaseholders).

9.1.2 Notwithstanding that the Council shall continue to negotiate with all affected leaseholders, given the number of outstanding interests in the Order Land, the Council reasonably considers that it may be necessary to acquire all remaining interests by way of a compulsory purchase order.



- 9.1.3 The Guidance sets out the policy tests that the Government will expect acquiring authorities to satisfy when making a CPO. In accordance with the Guidance:
- (a) the Council should use compulsory purchase powers only where it is expedient to do so; and
  - (b) a compulsory purchase order should only be made where there is a compelling case in the public interest for doing so.
- 9.1.4 This report provides an overview as to why the Council considers that these tests have been met.
- 9.1.5 In preparation for a potential compulsory purchase order, the Council has instructed land referencers to help identify all interests in the Order Land and has instructed solicitors to advise on the making of any compulsory purchase order.

## **10. FUNDING AND DELIVERY THE SCHEME**

- 10.1 As part of the Council's Strategic Plan 2022-2026, the Council has an objective to deliver a minimum of 1,000 social homes for rent each year (referred to as the first 1,000 homes programme). In September 2020, the report to Cabinet on the capital programme, confirmed that the regeneration of the Estate was the next priority for funding and allocated to Council's first 1,000 homes programme and capacity within the Housing Revenue Account (HRA) for the next phase was being assessed.
- 10.2 The total scheme costs for the entire redevelopment are estimated to be in the region of £217m. In July 2019, Cabinet approved a budget of £2.000m to deliver the design and consultation stage for this scheme. This was increased to £2.753m in November 2021. This has funded the pre-development stage from initial consultation to planning submission. A total of £5.4m has been spent bringing the scheme forward to date.
- 10.3 The 2021 Cabinet approved a budget of a further £86.000m for the first three years of the Scheme. This budget is sufficient to cover land assembly costs and land acquisition settlements, design and planning fees, and fees associated with procurement and legal activities. Cabinet also delegated powers to officers to enter into necessary agreements with affected landowners to deliver the Scheme.
- 10.4 Funding has also been secured from the GLA amounting to £4.772m and the Council is in ongoing discussions with the GLA as to further funding being provided.
- 10.5 As noted above, the Council is in the midst of the procurement process for its development partner to bring forward the Scheme. The issued tender attracted interest from a number of developers. The intention is for the balance of funding for the Scheme to be secured from the developer partner, once finally

procured. The Council therefore considers that the Scheme will be funded and will be deliverable.

## **11. EQUALITIES IMPACT ASSESSMENT**

11.1 The Council has a public sector equality duty under section 149 of the Equalities Act 2010 to have due regard to the need to:

- Eliminate discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

11.2 As part of the proposed regeneration of the Estate, the Council has been working closely with residents to ensure they are consulted on all aspects of the new development. This has ensured that the Council better understands how the development will impact residents that their needs are understood.

11.3 As part of the Equalities Impact Assessment (the **EqIA**) that was brought to Cabinet in 2021, the Council carried out a survey with the residents from HAP Houses. A telephone and door knocking exercise was conducted and the survey responses formed part of the EqIA. The EqIA has since been updated and a desktop exercise was carried out to reflect some of changes to the Scheme. The updated EQIA report is appended at **Appendix 4**.

11.4 The appended EQIA report highlights how the regeneration programme has sought to deliver a range of positive impacts, while mitigating several negative impacts on certain protected characteristics during the transition phase. The report highlighted that the negative or neutral impacts of the Scheme were generally limited to short term construction and environmental focused impacts as follows:

- The disruption accompanying the construction phase is expected to have a negative impact, particularly for older people, disabled people and those with specific health conditions, pregnant mothers and post birth mothers with young babies;
- The short-term changes to play space provision are expected to have a negative impact specifically for younger people;
- In the short term, the changes to social infrastructure provision are expected to have a neutral impact, particularly for those who worship at the mosque which will be relocated before it is demolished; and

- In the short term, the changes to housing provision are expected to have a neutral impact, particularly as all moves to new properties will be arranged as a single move where possible. This will somewhat mitigate the negative impacts of decant for older and disabled residents, and those with health conditions.

11.5 A summary of the impacts, specifically in terms of equality is set out below:

- Housing needs that respond to a wide range of protected characteristics will be positively enhanced through the development of these new units providing opportunities for housing;
- There will be more homes designed to lifetime homes standards and with disability access;
- Improving the housing stock will provide more homes for more people, to higher standards and hence improve the quality of accommodation for residents currently on the Estate;
- The design of the Scheme will use sustainable forms of energy such as centralised heating and hot water and photovoltaics to generate electricity. Combined with high levels of thermal insulation, it is hoped this will enable lower running costs for residents (depending on their usage and temperature preferences);
- Application of Considerate Contractor requirements to minimise negative impact during construction period;
- There will be an expansion of the housing offer (additional units) for those on the waiting list and also hidden household members, many of whom may also have protected characteristics;
- The needs of older people and those with disabilities will be enhanced by the development of properties built to lifetime homes standards;
- Families will have units that are in much better condition than they are currently;
- There will be more 3 and 4 bed units which will address the overcrowding experienced by some of the existing residents of HAP Houses, both tenants and leaseholders. These units will also help meet the needs of those families across the borough in overcrowded conditions; and
- The new homes will be built to meet residents' specific housing needs such as the inclusion of aids and adaptations. As well as considering design features that ensure the safety of vulnerable children and adults with severe learning difficulties such as autism.

11.6 Working in close collaboration between Council departments, the Independent Tenant and Leaseholder Advisor and residents themselves will ensure we reduce or even eradicate negative impacts of the Scheme.

## **12. ONE TOWER HAMLETS CONSIDERATIONS**

- 12.1 The Council has a range of statutory duties to facilitate development in the borough and provide affordable homes for local residents. Regeneration and development is a key factor to ensuring economic prosperity for the individual and for the community. The Council has to plan for the overall social infrastructure to meet the needs of the rising local population.
- 12.2 As the number of applicants joining the housing register for social housing increases, the supply does not meet demand. One of the ways to address this concern is to build more homes. The Scheme will assist the Council meet the objective of creating additional homes to address the need to house residents from the housing register.

## **13. BEST VALUE (BV) IMPLICATIONS**

- 13.1 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. The Scheme will be funded largely through a combination of GLA funding, Right to Buy receipts and capital funding. It is also envisaged that sales income from the private sales units will help cross subsidise some of the Scheme costs. The Scheme will also attract New Homes Bonus and additional Council Tax and Business Rates for the Council.
- 13.2 The disposal of a lease to RCCM will be conducted within Best Value considerations.

## **14. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 14.1 The housing stock on the Estate was built in or around 1954 and over the years the environmental performance standards of the built form have reduced. The Council has tried to maintain the efficiency of properties through the Decent Homes standard, but due to the age of the buildings, the impact can only go so far.
- 14.2 The Scheme will provide homes built to a far higher standard of environmental performance, meaning they should be more cost effective to run, thereby reducing the potential for fuel poverty for households that are expected to occupy the new homes within the Scheme. The Scheme will maximise reductions in carbon dioxide emissions through the implementation of energy efficiency measures.

## **15. RISK MANAGEMENT IMPLICATIONS**

- 15.1 A summary of the potential impediments to the regeneration of the Estate are set out below. Save as referred to below, the Council does not consider there to be any significant planning, resourcing (including financial), legal or other impediments.
- 15.2 **Securing vacant possession:** the implementation of the recommendations of this Cabinet Report are intended to remove impediments to acquiring all necessary land interests in the Order Land to progress the Scheme. Tenant

interests will be terminated via the normal Landlord Tenant Act 1985 route. The time frames for securing vacant possession of tenant interests are being factored into the wider programme for the regeneration of the Estate.

- 15.3 **Planning:** as set out in Section 5.9 of this Report, the Development Committee resolved to grant the Planning Permission for the Scheme on 12 June 2024. The Council does not envisage any impediments to discharging the conditions which will be attached to the Planning Permission or any planning obligations.
- 15.4 **Existing rights:** on 31 January 2024 Cabinet granted approval for the Council to effect the appropriation the Estate for planning purposes. Subject to receiving consent of the Secretary of State, this will allow the Council to interfere with existing rights which may be affected as a result of the Scheme thus permitting the development of the Scheme to proceed. The appropriation will assist with avoiding any delays which may have resulted through an injunction sought by someone with a right in or over the Estate.
- 15.5 **Stopping up orders:** other orders may be required in order to authorise the stopping up of highway. These orders will be progressed alongside the Order and the Council is not aware of any reason why such an order would not be forthcoming.
- 15.6 **Financial risks:** financial risks may arise if the project costs exceed those projected. This is more likely to occur where there are delays to the development programme. The approval of the recommendations contained within this Report will allow the Scheme to proceed without delay. As set out at Section 10 of this Report, Cabinet approved a budget of £2m to deliver the design and consultation stage in July 2019 and which was increased to £2.753m in November 2021. The 2021 Cabinet approved a budget of a further £86m for the first three years of the Scheme to include (but not limited to) costs related to land assembly, design and planning, procurement and legal activities.
- 15.7 The final budget for the entirety of the Scheme is scheduled to be approved in mid-2025, at the conclusion of the current 2 stage tender process. The Council does not consider there to be any reason that the budget will not be approved, and current forecasts are based on detailed cost estimates from the Council's external quantity surveyor, such that it is not envisaged that there will be any significant financial impediments to the Scheme progressing.

## 16. COMMENTS OF THE CHIEF FINANCE OFFICER

- 16.1 This report seeks the approval of the Mayor in Cabinet for the Council to initiate the Order proceedings and any resulting Order implemented in the event the Council is unable to acquire by negotiation all property interests required for the Scheme to proceed.
- 16.2 This decision has no direct financial implications in terms of expenditure triggered or additional budget requirements. Rather any decision to not approve the Order would add significant financial risks to the Scheme, by

removing the Council's ability to assemble the land in its entirety and enable construction to commence.

- 16.3 All costs associated with delivering the Order were budgeted for as part of the November 2021 Cabinet approved capital estimate. This Report makes no changes to that position and only seeks to progress the land assembly process.

## **17. COMMENTS OF LEGAL SERVICES**

- 17.1 This Report seeks the approval of recommendations required to facilitate the Scheme, including the making, confirmation and implementation of the Order.
- 17.2 The Council's power to make a compulsory purchase order pursuant to section 226(1)(a) of the Act is accurately set out at section 6.1 of this Report.
- 17.3 The 1981 Act governs the procedures which apply to such an acquisition, the Compulsory Purchase Act 1965 (the **1965 Act**) governs post-confirmation procedures and the Land Compensation Act 1961 (the **1961 Act**) governs the amount and assessment of compensation. In addition, local planning authorities must have regard to the Guidance relating to the management and disposal of land that is compulsorily acquired.
- 17.4 The 1981 Act provides that the authorisation of a compulsory purchase is to be covered by an order, called a compulsory purchase order. A CPO is required to be made in a prescribed form and must describe the land to which it applies by reference to a map.
- 17.5 When seeking to make a CPO, the Council must publish a notice of making the CPO confirming that the order has been made. This notice must include details such as a description of the land subject to the order, details as to where hard copies of the order and map may be viewed and specifying how objections to the CPO may be made and the time frames within which they are required to be made. The procedure for confirmation is specified in the 1981 Act.
- 17.6 The making of a CPO is an executive function, by virtue of section 9D of the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. Pursuant to section 9E(2) of the Local Government Act 2000, the Mayor may arrange for the discharge of an executive function by an officer of the authority.
- 17.7 In order to ensure that the Scheme can proceed within the agreed timescale and cost it is likely necessary for the Council to utilise compulsory purchase powers. The Council will, nonetheless, continue to engage with leaseholders and attempt to acquire the remaining interests in the site via private negotiation.
- 17.8 The Council have been advised by Trowers & Hamblins LLP in the preparation of this Report.

## 17.9 Human Rights and Equalities Implications

### Human rights

- 17.9.1 The Council must have regard to potential interference with Articles 6 and 8, and Article 1 of the First Protocol, of the European Convention on Human Rights (**ECHR**).
- 17.9.2 Article 1 of the First Protocol of the ECHR provides that every natural or legal person is entitled to peaceful enjoyment of their possessions (“**human rights**”). The compulsory acquisition of property interests involves interference with a person’s rights under this Article. As these rights are enjoyed by corporate bodies as well as individuals, all of those whose rights will be affected can claim an infringement. However, the right to peaceful enjoyment of possessions provided under this Article is a qualified rather than absolute right, as the wording of Article 1 of Protocol 1 permits the deprivation of an individual’s possessions where it is in the public interest and subject to the conditions provided for by law and by the general principles of international law.
- 17.9.3 Article 8(1) provides that everyone has the right to respect for his private and family life, his home and his correspondence. Article 8 would be engaged as a result of a CPO being implemented. Article 8(2) allows for interference which is “in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the protection of health and morals, or for the protection of the rights and freedoms of others”.
- 17.9.4 There must, therefore be a balancing exercise between the public interest and the individual’s rights whereby any interference in the individual’s rights must be necessary and proportionate. “Proportionate” in this context means that the interference must be no more than is necessary to achieve the identified legitimate aim, thereby striking a “fair balance” between the rights of the individual and the rights of the public.
- 17.9.5 The Development Committee has resolved to grant the Planning Permission for the Scheme which is considered to accord with national and local planning policies. The public benefits arising from the development, and thus the public interest, are set out earlier in this Report. Furthermore, compensation will be available to those who are affected. On this basis it is considered that the public interest in facilitating the development of the Order Land outweighs the rights of the individuals to peaceful enjoyment of their possessions and to their homes and that the proposed use of CPO powers results in a proportionate infringement.
- 17.9.6 As to Article 6 rights, these allow parties affected by the exercise of CPO powers to a “fair and public hearing within a reasonable time by an independent and impartial tribunal established by law”. Those affected by the Order will be informed and advised of their right to make representations to the relevant Secretary of State, their right to be heard as part of the confirmation process for the Order, and of a fair entitlement to compensation

(where applicable). If the Order is confirmed, that decision is reviewable by the courts. All of this ensures compliance with Article 6 of the Convention and a right to a fair hearing.

## **Equalities**

17.9.7 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). This duty has already been addressed elsewhere in this report.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

#### **Appendices**

Appendix 1 – Order Map

Appendix 2 – Appropriation plan

Appendix 3 – HAP Landlord Offer (Feb 2020)

Appendix 4 – Equalities Impact Assessment (Sept 2024)

#### **Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

Cabinet report 15 December 2021

<https://democracy.towerhamlets.gov.uk/ieListDocuments.aspx?CId=720&MId=12320&Ver=4>

Cabinet report 31 January 2024

<https://democracy.towerhamlets.gov.uk/ieListDocuments.aspx?CId=720&MId=14141&Ver=4>

Development Committee decision 12 June 2024

<https://democracy.towerhamlets.gov.uk/ieListDocuments.aspx?CId=312&MId=14396&Ver=4>

Rehousing guide for resident leaseholders of Harriott, Apsley and Pattison House – selling your property to the council (November 2020)

A guide for non-resident leaseholders of Harriott, Apsley and Pattison House – selling your property to the Council

A guide for Council Secure Tenants - Harriott, Apsley and Pattison House (November 2020)

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