

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 30 October 2018	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Garages at Welsford Street, Bermondsey	
<b>Ward:</b>		South Bermondsey	
<b>Cabinet Member:</b>		Councillor Leo Pollak, Social Regeneration, Great Estates and New Council Homes	

## **FOREWORD – COUNCILLOR LEO POLLAK, CABINET MEMBER FOR SOCIAL REGENERATION, GREAT ESTATES AND NEW COUNCIL HOMES**

At the end of May this year, more than 11,800 families (comprising over 25,000 people) were recorded on Southwark’s housing register in need of rehousing – behind these figures are stories of families living in overcrowded homes, delaying key life decisions due to extortionate housing costs, health problems linked to housing, children’s educational attainment and younger people’s ability to invest in themselves and their futures thwarted. In this context Southwark is resolved to maximise the overall social rented stock in our borough, including through pursuing an ambitious programme for building new council homes.

We will soon begin construction on ten new council houses at Welsford Street as part of our long-term commitment to build 11,000 new council homes by 2043. Unlike in previous periods of council house building where large sites lent themselves to comprehensive estate development and (relatively) simpler approaches to land assembly, today most of our development sites involve the repurposing of existing housing land with a greater risk of historic property rights emerging that may frustrate the process. We owe it to residents on our waiting list and to neighbouring residents who have contributed positively to the design and associated landscaping of these new homes to mitigate any risk to the development, even where the risk is remote. Cabinet is therefore recommended to approve the appropriation of the highlighted land from housing to planning and back to housing, an administrative process that will enable construction of the approved scheme to proceed with confidence.

## **RECOMMENDATIONS**

That Cabinet:

1. Confirms that the land shown edged red on the plan at Appendix A that is currently held for housing purposes is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. Confirms that following completion of the appropriation at paragraph 1 the land shown hatched on the plan at Appendix A will no longer be required for planning purposes and approves the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972.

## BACKGROUND INFORMATION

3. The land in question is shown edged red on the plan at Appendix A. It is owned freehold by the council. It comprises thirty lock up garages together with a surfaced open parking area and is accessed from Welsford Street that is a turn off Lynton Road. This is a residential area. The site is has two storey Victorian houses on three sides and to its northern boundary is Thorburn Square a three storey Council housing block dating from the 1960s. These garages were previously identified for transfer to a registered social housing provider under the Heygate Early Housing initiative but this did not proceed because it could not accommodate the provider's required capacity. .
4. On 25 February 2015 Council Assembly approved the current Council Plan. This sets out Fairer Future promises one of which is: *quality affordable homes*. Within this commitment is the policy to improve housing standards and build more homes of every kind. This promise restated previous policy to directly provide additional housing to meet the need for affordable housing within the borough. At the July meeting of the cabinet, a report of the 'Southwark Conversation' was received. This noted 28% of respondents mentioned housing and a lack of social/Council tenure was a clear worry. The cabinet resolved the 'Southwark Conversation' is to shape an updated Council Plan and a Social Regeneration Framework.
5. In pursuit of the February 2016 approval cabinet has received a number of reports both before and after the Council Plan adoption to deliver new housing sites and the subject site was included in the Phase 2 report approved by cabinet on 22 October 2013. This report contained proposals for around 277 new Council homes and followed an earlier report to directly deliver 290 new homes. These initiatives form part of the council's aspiration to provide 11,000 new homes by 2043.
6. On 4 July 2018 planning consent was granted for the redevelopment of the site to provide the following:
  - ❖ 4 x two bedroom houses (one of which will have wheelchair access)
  - ❖ 6 x four bedroom houses
  - ❖ Cycle storage
  - ❖ 1 x parking space for wheelchair accessible dwelling
  - ❖ Rear amenity space for each dwelling
  - ❖ Front garden for each dwelling.
7. All ten of the new housing units will be let at council rent levels.
8. The contract for the regeneration is currently being procured and it is intended for construction to commence early in the new year.

## KEY ISSUES FOR CONSIDERATION

9. The redevelopment will result in the demolition of the existing thirty lock up garages. Of these thirty, only about seven are let and their tenants will be able to rent alternative garages in the vicinity. The open parking is not well used and has been used to abandon vehicles. The locality is close to both South Bermondsey railway station and Bermondsey tube station as well as a number of bus routes. Therefore not providing parking (save for the wheelchair dwelling) or garages as

part of the development is both acceptable in planning and transport policy terms.

10. The enclosed nature of this garage site with low rise housing on all four of its sides has severely limited its potential development capacity. The consented scheme of ten two storey dwellings reflects those limitations and whilst the yield of new homes is less than on other sites of a similar size it will provide much needed family housing.
11. As part of the planning process a daylighting/sunlighting report was commissioned and concluded that where any neighbouring dwellings will experience any reduction in lighting from the proposed development the impact will “not be noticeable”.
12. Persons have may however have been crossing the site for many years i.e. in parking their vehicles. It is therefore possible that one or more person may claim a prescriptive right over the site. In general terms, a prescriptive right is one whereby someone other than the property owner gains use or ownership rights over the land by way of a period of use. Such rights are not required to be registered at the Land Registry so may only emerge when interfered with. This presents a potential risk to the proposed development as the holder of such a right may seek to enforce it by applying to the court for an injunction to halt the development that is interfering with the right
13. Whilst the development will not have an adverse impact on neighbourhood lighting there remains the risk that someone might claim a prescriptive right over the land thus leading to a risk of an injunction being sought to stop the consented scheme. In order to eliminate this risk and any remote risk of an adverse lighting claim it is considered prudent to appropriate the land to planning purposes and back to housing purposes. As part of planning application consultation; there were three responses one concerned removal of the current garages and the risk of them containing asbestos. The other two responses expressed concern about the impact of the proposed scheme may have on the surrounding Conservation area, increased parking issues in the locality, impact on wildlife, potential adverse lighting to the adjacent three-storey council block and an inadequate period of consultation.

### **Appropriations**

14. The appropriation of land refers to the process whereby a council alters the purpose for which it holds land. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. This will give the council the certainty that having commenced construction works a person with the benefit of an unregistered (with the Land Registry) right over land (such as a right to cross the land) cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on urban sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. The council could either insure against such compensation claims but this will be costly or accept the risk of an injunction that may be fatal to development (unlikely in this case) or result in perhaps significant unquantifiable damages awarded by the court for interference with the right.

15. The compensation persons affected by the loss of a third party right may be entitled to is based on the value of their properties before the right has been infringed versus the value of the property with the infringed right. This compensation is based on the diminution in value of the affected property. If agreement between the parties is not possible it will be determined by the Upper Tribunal (Lands Chamber).
16. In this case it is recommended that the land be appropriated from housing purposes to planning purposes and thereafter back to housing purposes as to hold the land for planning purposes may cause adverse financial implications (see below).
17. The rationale for the appropriations of the land shown at Appendix A is set out at Appendix B and cabinet is recommended to approve the appropriations.
18. The appropriation stages is summarised below:

Land currently held for housing

Appropriate from housing to planning	↓	Third party rights infringed by development cannot be enforced by injunction
Appropriate from planning to housing	↓	Construction of new housing can proceed

19. Cabinet has received a number of similar reports to enable direct delivery of housing schemes to proceed where the same strategy was recommended and approved.

**Rationale for recommendations**

20.
  - a. To mitigate against the construction of new social housing being frustrated or delayed by injunctions
  - b. To de-risk the construction project so as to encourage the maximum number of bidders and achieve a lower construction cost.
  - c. Appropriation back to housing from planning purposes avoids any potential adverse accounting implications.
  - d. Taking forward Fairer Future promise of *quality affordable homes*.

**Community impact statement**

21. The existing Council Plan was the subject of extensive community consultation as is the emerging one (see paragraph 4) that gave rise to the Fairer Future promise of *quality affordable homes*. The recommendations herein will enable the construction of ten new homes to proceed. New homes will improve the quality of life for their residents. Three persons consulted as part of the planning process did however express concern about aspects of the scheme.

22. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:
- a) eliminate discrimination;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
23. Relevant protected characteristics for the purposes of the Equality Act are:
- Age
  - Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex and sexual orientation.
24. In carrying out appropriation the council must have due regard to the possible effects of such appropriation on any groups sharing a protected characteristic in order to discharge its public sector equality duty.
25. Based on the information available the council does not believe that there are any particular groups sharing a protected characteristic that will be adversely impacted by the proposals. Indeed the new housing should be beneficial across the range of protected characteristics and in particular the disability classification as one new home will be wheelchair accessible.

### **Financial implications**

26. The construction of the new homes will have a significant cost and an approved budget exists for this. The budget will need to make provision for any compensation claims for diminution in value that may arise as a consequence of the construction of the new homes. The budget will be reviewed when the procurement process mentioned at paragraph 8 has been completed.
27. Where land is appropriated from the housing revenue account to the general fund there is a transfer of debt between the accounts. When land is appropriated from general fund to the housing revenue account this debt transfer is reversed.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Law and Democracy

28. The report recommends the appropriation of council-owned land for planning purposes, and thereafter, the appropriation of that land for housing purposes.
29. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 (“the 1972 Act”) to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
30. The land must already belong to the council. Paragraph 3 of the report confirms that the land to be appropriated is in the council’s freehold ownership.
31. The land must be no longer required for the purpose for which it is currently held. The report confirms at paragraph 8 of Appendix B that the land is no longer required for housing purposes.
32. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 (“TCPA 1990”) defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.
33. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.” In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to “contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.” The council’s plan to build new homes on the land, of which all are council homes for rent, is capable of falling within all three categories.
34. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.

S203 says :

“(1) A person may carry out building or maintenance work to which this subsection applies even if it involves

(a) interfering with a relevant right or interest...

(2) Subsection (1) applies to building or maintenance work where –

- (a) there is planning consent for the building or maintenance work,
  - (b) the work is carried out on land that has at any time on or after the day on which this section comes into force
    - (i) become vested in or acquired by a specified authority or
    - (ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]
  - (c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and
  - (d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”
35. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work; and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.
36. This report confirms that the work being done on the land will be done in accordance with planning permission. Once the land has been appropriated and s203 triggered, that work will be authorised even where it interferes with third party rights.
37. Following the appropriation of the land for planning purposes it is recommended that the land is appropriated for housing purposes, as the land is to be used for the provision of new housing. At that point the land will no longer be required for planning purposes and will be appropriated for housing purposes.

#### **Strategic Director of Finance and Governance [FC18/015]**

- 38 The Strategic Director of Finance and Governance notes the recommendation to appropriate land as described in order to facilitate regeneration and the building of new homes at Welsford Street. This land appropriation is proposed to occur in such a way that it will have a neutral financial impact. This scheme forms part of the council’s new homes direct delivery programme and any associated costs will be contained with the Housing Investment Programme.

#### **Strategic Director of Housing and Modernisation**

39. This report ensures that the proposed development of the Welsford Street garages scheme can progress with the avoidance of legal challenge. The light issues from the scheme are negligible whilst the access issues are minimal and the scheme meets planning policy approval. Extensive consultation with local residents, together with a commitment to make 50% of the new social rented homes available to local residents in housing need leads the way in which

social housing can be developed in inner cities. The scheme is a contribution to the council's pledge to build 11,000 new homes by 2043.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council Assembly report of 25 February 2015 adopting Council Plan	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
<b>Link (copy and paste into your browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf">http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf</a>		
Cabinet report of 22 October 2013 Phase 2 direct delivery of new homes	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
<b>Link (copy and paste into your browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf">http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf</a>		
4 July 2018 planning determination and associated documents	160 Tooley Street London SE1 2QH	<a href="mailto:Planning.Enquires@southwark.gov.uk">Planning.Enquires@southwark.gov.uk</a>
<b>Link:</b> <a href="http://planbuild.southwark.gov.uk/documents/?casereference=18/AP/0710&amp;system=DC">http://planbuild.southwark.gov.uk/documents/?casereference=18/AP/0710&amp;system=DC</a>		
24 July 2018 Cabinet agenda and minutes (item 14)	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=6125&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=6125&amp;Ver=4</a>		

## APPENDICES

No.	Title
Appendix A	Plan of garages at Wellsford Street Bermondsey
Appendix B	Rationale for appropriations of the land



## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Leo Pollak, Social Regeneration, Great Estates and New Council Homes	
<b>Lead Officer</b>	Kevin Fenton, Strategic Director Place and Wellbeing	
<b>Report Author</b>	Patrick McGreal, Regeneration-North	
<b>Version</b>	Final	
<b>Dated</b>	15 October 2018	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Strategic Director of Housing and Modernisation	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	18 October 2018	