LONDON BOROUGH OF NEWHAM

CABINET or MAYORAL PROCEEDINGS
(Please delete as appropriate – The Mayor’s Scheme of Delegations determines which body a report should be submitted)

<table>
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<th>Is it a key decision?</th>
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<td>Is it in the Forward Plan?</td>
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Subject: Canning Town and Custom House Regeneration

Source: Regeneration and Planning

Wards affected: Canning Town North, Canning Town South, Custom House

Exempt Information
Appendix 1 of this report is exempt by virtue of paragraph 3 of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended.

Purpose of Report
The council has a longstanding commitment to deliver comprehensive and inclusive regeneration at Canning Town & Custom House and significant progress has been made with around 1,200 homes constructed and 1,200 under construction. On council led regeneration sites around 71% of the original secure tenants and home owners have been rehoused or have sold their homes to the council, with 515 remaining.

In July 2016, the Mayor, in consultation with Cabinet, agreed to bring forward comprehensive redevelopment of designated sites in Custom House, committed an initial £5.5m funds to progress site assembly and made an in-principle decision to progress delivery via a Joint Venture model. To implement these decisions, officers have undertaken a number of activities including consultation, property buybacks, development and land assembly programme, financial viability and other work.

The purpose of this report is to accelerate and enhance the regeneration of the Canning Town and Custom House programme area by:

- Extending authority to take all necessary action and decisions needed to bring
forward comprehensive redevelopment of designated Canning Town sites in line with the principles of the Canning Town and Custom House SPD (2008) and Newham Core Strategy (2012).

- Allocating funds in a phased manner, programmed over the next five years, to progress with the remaining decant and buyback of homes across Canning Town and Custom House, focused on early sites to enable phased demolition and significant redevelopment to be delivered.
- Seeking approval for critical programme costs to de-risk and accelerate the regeneration, including; resident consultation, public realm improvements, a council-led planning application and project team costs.

Executive Summary of Outcomes.

The regeneration of Canning Town and Custom House, in line with adopted plans, provides an opportunity to significantly improve the quality of life for residents of Newham – economically, socially and environmentally. The proposed phased programme across the Canning Town and Custom House sites will deliver the following outcomes more quickly than existing resources allow for and will ensure that growth is more inclusive, supports a resilient and confident community and provides sustainable jobs, enhances skills, better health and wellbeing and improved social cohesion and safety. Specifically;

- Accelerate the delivery of around 5,000 new mixed tenure homes on council led sites capitalising on the distinct assets and market opportunities of each of the Canning Town and Custom House sites to create unique and high quality places;
- Support a more resilient local community including working closely with existing residents and businesses to enable them to make the best choices for their future through the commitments in the Resident and Shopkeepers’ Charters;
- Provide much needed certainty to residents in areas long earmarked for redevelopment by designating, following consultation, decant and buyback areas and providing the opportunity for homeowners in other redevelopment areas to sell their property to the council earlier with the benefit of the Residents’ Charter;
- Deliver no net loss of social rented housing and a significant increase in the numbers of other forms of affordable housing across the regeneration area;
- Deliver key public realm improvements to benefit, connect and make safer the whole programme area, including a high quality interchange at Custom House with better local bus services, enhanced local streets, squares, parks and wayfinding;
- Develop better health and education facilities and other social infrastructure;
- Create and support an improved local centre at Custom House including provision of space that is accessible for smaller businesses and uses that promote activity throughout the day and evening and support local jobs;
- Retain sufficient council control to ensure design quality and wider regeneration outcomes are achieved, and secure long-term interest in the delivery of the project and a return to the council to reinvest in services.

Successful regeneration of Canning Town and Custom House will make a direct contribution to the council’s resilience aspirations, specifically;

- Asp. 6: A well maintained public realm with accessible facilities and quality public space that encourages people to get active and stay in the borough through
choice.
- Asp. 9: Good quality housing across all sectors which contributes to people choosing to stay in the borough.
- Asp. 10: The housing offer meets legitimate need and encourages aspiration, employment and contribution to the community.
- Asp. 15: People have the skills and competencies that make them highly employable, including softer skills.
- Asp. 22: A diverse and thriving local economy providing a variety of employment opportunities for local people.
- Asp. 23: People are economically active and achieve independence through employment.

Recommendations

The Mayor in consultation with Cabinet is asked to:

1. Approve the Business Case change (Appendix 4) and note the principles of the Development and Land Assembly Programme that covers all the remaining council led sites within the Canning Town and Custom House regeneration programme (Appendix 2).

2. Agree to include within the Cabinet decision of 21st July 2016, bringing forward comprehensive redevelopment of Custom House designated sites (Area 4, 5, 6, 18 and 19), the comprehensive redevelopment of the remaining Canning Town designated sites (Area 1b, 2 and 11) as one coherent regeneration programme and in line with the Canning Town and Custom House Supplementary Planning Guidance Document (2008) and Newham Core Strategy (2012).

3. Approve a total investment of up to £111m funding to be agreed as part of the annual budget setting strategy. This is programmed over the next five years to deliver cleared areas for up to 2,500 new homes, allow for buybacks from home owners in other areas who wish to sell early, as well as deliver other regeneration initiatives outlined in recommendations 4-12.

4. Add £7.4m to the capital programme within the financial year 2017/18, funded from existing capital receipts in the first instance and consolidate all the £10.7m existing budgets.

5. Delegate authority to the Director of Regeneration and Planning in consultation with the Director of Commissioning (Community and Environment) to commence all necessary consultation with the secure tenants, leaseholders and freeholders and others affected by the regeneration proposals across all Canning Town and Custom House regeneration sites and to consider any comments or matters raised and to make any changes to the proposals.

6. Approve, subject to consultation, the grant of decant status and buy back and purchase of any properties, subject to funding, within the designated sites to enable demolition and redevelopment to be brought forward.

7. Approve, following the completion of all necessary consultation, that Area 6
(Freemasons East) forms the next phase of development within the Custom House area and that decant status is granted and buy backs of all properties be progressed.

8. Delegate authority, subject to consultation, to the Director of Commissioning (Community and Environment), in consultation with the Director of Regeneration and Planning, to take all necessary steps to implement a programme of phased decant and, subject to funding, buyback and purchase of any properties for all regeneration areas.

9. Delegate authority to the Director of Regeneration and Planning in consultation with the Deputy Mayor (Statutory) to take all necessary actions and decisions to progress council-led planning applications for the reasons set out at 2.12-2.13.

10. Delegate authority to the Director of Regeneration and Planning in consultation with the Deputy Mayor (Statutory) to progress the design of public realm works and potential interim activities at Custom House and the design and implementation of wayfinding projects across other parts of the programme area.

11. Delegate authority to the Director of Regeneration and Planning to develop and implement a Socio-Economic Programme across the Canning Town and Custom House programme area as set out in Section 2.17-2.18 of this report.

12. Delegate authority to the Director of Regeneration and Planning and the Director of Business and Growth following consultation with the Mayor and the Deputy Mayor (Statutory) to take all necessary actions and decisions needed, including the appointment of external consultants, to prepare for the procurement of an appropriate Joint Venture model for the Canning Town and Custom House sites as part of a suitable partnership or as part of a borough wide vehicle for multiple regeneration sites. Cabinet’s approval will be sought for the JV model and business case prior to commencing the formal procurement process and including details of any land transactions required.

Reasons for the Recommendations

The recommendations in this report build on the Cabinet approvals obtained in July 2016 regarding Custom House and previous approvals across the whole regeneration area. The recommendations are required in order to enable the council to lead and accelerate all elements of the Canning Town and Custom House Regeneration Programme and achieve its financial and regeneration objectives, as set out within various adopted planning policies since 2004. In particular the recommendations are required in order to achieve the outcomes set out above.

Although the council is the majority freeholder in the designated areas, it needs to acquire the properties that it does not own, rehouse secure tenants and work with other residents and businesses to enable development to happen. These recommendations will accelerate the redevelopment of the designated areas by helping to consolidate land ownership, focused at early phase sites. A baseline financial appraisal has shown that the council can recover these land assembly costs through development.

To further accelerate regeneration and provide a mix of new homes for residents, de-
risk delivery, set design quality benchmarks, support potential compulsory purchase action and build confidence in the council’s commitment to regeneration, the council will seek to lead planning applications where this is consistent with the overall development and procurement approach.

Progressing interchange design and public realm works at Custom House and wayfinding projects would support access, community safety, active travel choices, health and wellbeing, access to jobs and other opportunities and maximise the investment from the Royal Docks Enterprise Zone, TFL and others.

Development of a comprehensive Consultation & Engagement and Socio-Economic programme to cover the Canning Town and Custom House area will ensure that the community is kept informed and engaged but also that residents and businesses can benefit more from the investment being made locally by having enhanced access to skills, employment and training opportunities and have improved health, wellbeing and security and safety.

At Cabinet in July 2016, in-principle approval was given to progress delivery through a Joint Venture model with an external partner(s) for the redevelopment of Custom House. This would enable the council to share the upfront costs and risk, retain a degree of control to ensure regeneration objectives are secured and, over time, enabling a return to the council which can be reinvested in services. A financial appraisal has demonstrated that this project has the potential to support this outcome and inclusion within this process of Canning Town sites or as part of a borough wide vehicle, would promote additional market interest and accelerate delivery and regeneration.

The Business Case (BC) for the regeneration of the Custom House sites has been updated to include the council led Canning Town sites. The updated BC provides an overview of the redevelopment objectives, anticipated outcomes, key considerations, and necessary resources to implement the programme. The BC also describes how the proposed council investment could be funded.

Name of Lead Officer: Deirdra Armsby
Position: Director of Regeneration and Planning

Name of Lead Member consulted: Cllr Ken Clark
Position: Deputy Mayor (Statutory) - Strategic Delivery and Cabinet Member for Community Neighbourhoods, Regeneration and Planning and Public Affairs.
Date: Consulted on 22nd March and 19th May 2017.

Originator of report: Rachel Cockerill and Colin Boxall
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Local Government (Access to Information) Act 1985
Background papers used in preparing this report:

- Newham Sustainable Community Strategy 2010-2030

General Report Template: Ver: 005 Last revised: January 2016
• LBN Core Strategy 2012
• https://www.newham.gov.uk/Documents/Environment%20and%20planning/CoreStrat
• Canning Town and Custom House Supplementary Planning Document  
https://www.newham.gov.uk/Documents/Environment%20and%20planning/Canning  
TownCustomHouseAdoptedSPD2008%5B1%5D.pdf
• Minutes of July 2016 Redevelopment of Custom House Cabinet Report  
https://mgov.newham.gov.uk/documents/q11203/Printed%20minutes%2021st-Jul-  
2016%2017.00%20Cabinet.pdf?T=1

Copies of Background documents can be obtained from:  
Rachel Cockerill  
Tel no: 020 3373 2689  
E-mail address: rachel.cockerill@newham.gov.uk

List of enclosures / Appendices:  
Appendix 1: Development and Land Assembly Programme (Exempt)  
Appendix 2: Plan of Canning Town & Custom House Designated Redevelopment Sites  
Appendix 3: Risk Register  
Appendix 4: Business Case (Exempt)  
Appendix 5: Financial Implications and Finance Comments (Exempt)  
Appendix 6: Equality Impact Assessment

Report - Part A

1. Introduction and Background

1.1 The council has a long term commitment to deliver the regeneration of  
Canning Town & Custom House (first approved in 2003) and is seeking to  
accelerate the programme.

1.2 Significant progress has been made on a range of sites in Canning Town over  
recent years with around 1,200 homes completed and 1,200 under construction. On council-led regeneration sites, 71% of the decant and  
buybacks within the designated regeneration areas have been completed.

1.3 The arrival of Crossrail in Custom House and a renewed focus has  
necessitated a review of the council’s delivery timescales and a Cabinet decision was made on 21st July 2016 to take all necessary actions and  
decisions needed to bring forward comprehensive redevelopment of Custom House, progress procurement of a Joint Venture partner(s) and allocated a  
£5.5m site assembly budget. This initial funding has mostly been spent or  
committed and there is a need for additional funding if the site assembly and  
regeneration in Custom House is to proceed.

1.4 Following a review of the whole programme, including capacity and viability  
work, the council is now proposing to also include the remaining Canning  
Town Sites as one coherent, funded and deliverable regeneration programme.  
These sites are Area 1b (Aviary Close), 2 (Lawrence Street) and 11 (New River
Place). Please refer to the redevelopment sites boundary map provided at Appendix 2.

2. Key Considerations

Development and Land Assembly Update

*Canning Town and Custom House Development & Land Assembly Programme*

2.1 The council has been testing the development capacity of the Canning Town and Custom House programme area in accordance with local and regional planning policy framework. This has established the potential to create around 5,000 new homes on the remaining council led sites, along with a new and enhanced local centre, local services such as health provision, public spaces and enhanced local connections.

2.2 A baseline financial appraisal has been undertaken which indicates that redevelopment of these sites is viable, would ensure that land assembly costs are recovered and allow the council to meet its regeneration and financial objectives.

2.3 The council, as majority freeholder of the land at Canning Town and Custom House, will need to provide vacant possession if regeneration is to take place. Within all the regeneration areas, there are 254 freehold or leasehold properties, 261 secure tenants and around 300 homes occupied by residents through the council’s void leasing and guardian homes contracts.

2.4 To progress the wider Canning Town and Custom House project a challenging but achievable Development and Land Assembly Programme has been developed that sets out the principles and timings of a phased redevelopment approach. Delivery will be subject to resources, consultation, availability of alternative rented homes and buyback processes including potential compulsory purchase following a successful planning application.

2.5 Subject to approval of the recommendations in this report and resident consultation, extensions of the active decant and buyback status will be undertaken on a phased basis as set out in the Development and Land Assembly Programme included at exempt Appendix 1. The financial implications regarding development and land assembly are set out in Section 5 and exempt Appendix 5.

2.6 The council will progress securing vacant possession of sites in Canning Town and Custom House along the following principles:

- Subject to consultation and delegated approvals, the council will designate decant and buyback areas (also known as ‘active’ decant/buyback areas) in phases to ensure its investment and resources is focused to create cleared sites as quickly as possible, reduce management costs and enable development.
- For later phases, the council will support homeowners with early opportunities to move or to sell their property to the council. These moves
would be in line with the commitments of the Residents' Charter and the funding sought in this approval would allow this to happen.

- The council will work to maximise and accelerate supply of relevant replacement homes for existing tenants or resident homeowners both across the wider Canning Town and Custom House area and within the redevelopment areas.
- The council will work with shopkeepers and commercial leaseholders as set out in the Freemasons Road Shopkeepers' Charter.

**Area 19 (Normandy Terrace)**

2.7 The rehousing of secure tenants and purchasing of leasehold/freehold interests of the southern part of Area 19 (Normandy Terrace) commenced in January 2014. Discussions are ongoing with the remaining residents around relocation options. These include two residential leasehold properties and one secure tenant. Officers are also working with one business leasehold property to facilitate a phased demolition of the first block adjacent to Custom House Station.

**Custom House Sites (4, 5, 6 & 18)**

2.8 Following Cabinet approval in July 2016, a programme of statutory and non-statutory consultation took place with Custom House residents between November 2016 and March 2017. Further detail of the consultation undertaken is provided in Section 7 of this report.

2.9 The council has now completed all relevant consultation with residents in Area 6 and, subject to Cabinet approval, is intending to notify residents of the decision to formally extend decant status to tenants and buy back all the properties in this area to enable development.

**Canning Town Sites (2, 11 & 1b)**

2.10 A consultation plan has been prepared for residents in this area to commence, subject to approval of this paper, in line with the Development and Land Assembly Programme set out in exempt Appendix 1. This will enable the council to make an informed decision on where the next phase of active decant/buyback would be in Canning Town.

2.11 Subject to the completion of consultation, it is proposed that residents in the next area be granted decant status and the council proceed to decant tenants, buy back homes and purchase all properties to enable development.

**Council-led Planning Application**

2.12 To accelerate development, de-risk delivery, increase the value of council land, set a benchmark for design quality and build confidence in the Council’s commitment to regeneration, officers propose to progress a council led planning application – most likely at Custom House. It is estimated that progressing an application at this stage would reduce the time taken to deliver new homes and community uses by around 2 years. This approach would support any potential future legal process required to provide vacant
possession of sites for redevelopment. The lack of planning certainty could delay progress of property purchases and redevelopment.

2.13 This report requests that planning costs be met as part of the programme and that officers undertake further work both to agree the scope and boundary of the planning application and procure and manage a suitable professional design team to submit an application. It is intended that the planning strategy would be developed in parallel with the development and procurement approach to ensure they are aligned and are complementary.

**Custom House – Design and Public Realm Update**

2.14 The council, GLA and other stakeholders recognise the critical importance for a high quality interchange at Custom House, including enhanced local connections and wayfinding, to provide local benefits and add development value. Officers are already working with TfL to increase the number of routes serving Custom House to support improved access to the station and provide local residents with better ways of travelling to the rest of Newham.

2.15 The council’s approach will be to combine high quality materials, street furniture, signage, planting and lighting and interim uses where relevant and beneficial to create an attractive environment both at Custom House Station and across the area.

2.16 To progress the design of the interchange, public realm works and potential interim activities at Custom House, an upfront council investment is included in the funding request. Officers are seeking to secure investment from key partners, such as the Royal Docks Enterprise Zone, TfL and others, and progressing the design now will speed up delivery and help secure this investment.

2.17 A small funding allocation has been included to support existing council investment for the design and implementation of wayfinding projects across key parts of the regeneration area, in line with the approved masterplan.

**Consultation and Socio-Economic Programmes**

2.18 The council has an established Canning Town and Custom House Residents’ Charter and Shopkeepers’ Charter which outlines the council’s commitments to residents and businesses for involving and informing the community during the development and delivery of regeneration schemes. As the regeneration is accelerated, a comprehensive consultation plan is required.

2.19 It is vital that local residents and businesses benefit from the regeneration investment and recognises that a formal programme is required to maximise this that supports access to skills, employment and training opportunities, enhanced health and wellbeing and security and safety. Initial work has commenced with partners to refocus existing relevant programmes at Canning Town and Custom House.

**Programme Delivery and Procurement Strategy**
2.20 Cabinet in July 2016 gave in-principle approval to progress the procurement of a Joint Venture model with an external partner(s) for the redevelopment of Custom House sites. This would enable the council to share the upfront costs and risk, retain a degree of control, to ensure regeneration objectives are secured, provide certainty to residents and, over time, enabling a return to the council which will be reinvested in services.

2.21 The Director of Regeneration and Planning and Director of Business and Growth are undertaking a focused piece of work to identify the optimum Joint Venture structure that will achieve the council’s regeneration, financial and corporate objectives and ensure efficient transfer of land when required. It is recommended that Canning Town sites are also included as part of this process as this could promote additional market interest and accelerate the delivery of regeneration. The option to include the sites as part of a borough wide vehicle for multiple regeneration sites will also be explored as part of this process. A preferred approach for the delivery model and approval to commence procurement will be presented to Cabinet.

**Governance and Regulatory**

2.22 The Canning Town and Custom House project is managed by a cross departmental Regeneration Board chaired by the Director of Regeneration and Planning. The Board is established from services including; Regeneration, Planning, Business and Growth, Legal, Procurement, Finance, Corporate Project Management and Housing. The Project Team reports into the Regeneration Board via the Senior Officer for Regeneration. This is in line with the councils’ Corporate Project and Programme Management Methodology.

2.23 The cross departmental Project Team will continue to work closely throughout scheme development and delivery to ensure effective management of the programme.

**Resource Implications**

2.24 The funding requested in this report will ensure that there is a dedicated and well resourced Project Team, including external expertise, in place to manage all aspects of the programmes. This is currently managed within existing budgets.

3. **Outcomes**

3.1 The council is committed to building resilience in Newham and the ongoing delivery of the Canning Town and Custom House regeneration programme will have positive social and economic impacts specifically relating to the outcomes of job and business growth, the provision of affordable housing, improved community facilities, improved public open space and transport connectivity.

3.2 The outcomes are set out above under ‘Executive Summary of Outcomes’.
4. **Service Delivery and Performance Issues**

4.1 The proposal and recommendations within this Cabinet report will enable the council to accelerate and extend the focus of regeneration across the Canning Town and Custom House programme area in line with the original Canning Town & Custom House Masterplan (2003), Newham Core Strategy (2012) and Detailed Sites SPD.

5. **Financial Implications**

5.1 To date, the existing approved budgets for the programme are as follows:

- £1.3m was approved from the council Capital Programme to progress design development, feasibility and site clearance for Custom House of which £500k has been committed.
- £1m remains from the 2014/15 HRA Housing Capital Programme to complete the first phase of Area 19 site assembly, which includes the retail units, leaseholder buybacks and demolition of part of Normandy Terrace.
- £5.5m is approved from the General Fund Capital Programme to further progress site assembly and pump prime major redevelopment. This resource was funded from unallocated capital resources approved as part of the 2016/17 budget report. Most of this funding has been committed or spent to buyback homes within Custom House following engagement.
- £2.9m allocated by Cabinet in March 2013 in the council Capital Programme to buy back and secure vacant possession at Area 2 (Kennedy Cox House) in Canning Town subject to Heads of Terms being reached with the River Christian Centre and agreed by Cabinet. Discussions are ongoing.

5.2 The secured sums to the CTCH area therefore total £10.7m although much is committed or subject to further agreements being reached.

5.3 Further capital funds are required to accelerate and extend the focus of regeneration in line with the Development & Decant Programme and Business Case.

5.4 This report requests approval to consolidate the remaining uncommitted funds within the £10.7m allocated into a single project and that the mid year Budget Review considers extending the funding to include a further £100.3m of phased investment programmed over the next five years, providing a total of up to £111m. There is an immediate need for £7.4m to be allocated this financial year (2017/18) in addition to the consolidation of unallocated elements of the existing budgets (£18.1m in total). This will need to be aligned with the Treasury Management Strategy. There will be revenue costs which will be contained within existing budgets in the short term and considered as part of the Medium Term Financial Strategy for 2018/19 and beyond.

5.5 As set out in the current business case, the total investment of £111m over an estimated 5 years would include up to:

- £98m for the phased decant, buyback, property purchase and site preparation in the Custom House and Canning Town Area – including the
clearance of sites which have the potential for around 2,500 homes and up to a quarter of buybacks in other designated sites for home owners who wish to sell early. Overall it is estimated that this funding over the next 5 years would buy back 80% of the remaining homes required.

- £5m for the phased funding of the transport interchange, public realm works and interim activities at Custom House. The council would only commit to design work at this stage and is currently exploring options for external investment to deliver this strategic project, specifically through the Enterprise Zone. However, the allocation assumes that forward funding may be required if delivery is not to be delayed. There is also a small allocation to design and implement wayfinding projects across other parts of the programme area, a key objective of the masterplan for the area.

- £8m for phased wider programme costs including a council-led planning application, project team, engagement and socio-economic activities.

5.6 In addition to the existing approved budgets there are a number of other opportunities for funding this programme. It has been estimated that the three development agreements for schemes already in delivery at Canning Town (Rathbone, Hallsville and Fife Rd) could provide a significant proportion of the above costs over the next 5 years. This is in line with the established principles of recycling of land receipts/overage within the CTCH programme masterplan.

5.7 In the future, other options for funding can be identified – principally through further capital receipts from the Canning Town and Custom House programme, by entering into an agreement with a Joint Venture partner or developing out vacant sites. Additional funds could also include housing grant or funding from partner organisations.

5.8 Further information set out in exempt appendix 5.

6. Risk Management

6.1 A risk register has been produced and is regularly updated by the Project Team and major emerging risks identified are escalated to the Regeneration Board.

6.2 The Chair of the Regeneration Board will report and escalate as necessary. Key identified risks and mitigation strategies are set out in Appendix 3.

7. Consultation

7.1 The Canning Town and Custom House regeneration programme has been subject to community engagement and consultation over a number of years since development of the original 2003 Canning Town and Custom House Masterplan and adoption of the Canning Town and Custom House Supplementary Planning Guidance in 2004.
7.2 Detailed community consultation was undertaken on the Canning Town and Custom House regeneration programme when the Masterplan was refreshed in 2007 and adopted as a Supplementary Planning Document in 2008.

7.3 Following the July 2016 Cabinet decision to proceed with the comprehensive regeneration of Custom House, a programme of statutory and non-statutory consultation has been undertaken to keep residents updated on the council’s aspirations and plans for the area.

7.4 A newsletter was circulated to inform Custom House residents on the Cabinet decision and regeneration proposals. The newsletter explained that the council was proposing to commence the rehousing/property purchase programme in Area 6 as the next phase and we did not anticipate that residents in later areas would need to move before 2019 at the earliest.

7.5 In Area 6 focused consultation took place, which involved bespoke letters, door knocking and drop-in events. The drop in sessions were well attended and the feedback to the council’s proposals was generally positive. A significant number of tenants or home owners expressed an interest in moving early or sell their home. The council has already commenced the property purchase process in some cases but this has been limited by available funds.

7.6 Following informal consultation, statutory consultation under s.105 of the 1985 Housing Act was undertaken between 18 February and 20 March 2017 with secure tenants in Area 6.

7.7 Consultation will continue to be carried out through the key stages of the regeneration process such as: decanting and demolition, developer selection, design and planning and delivery. The council will continue to use a range of methods such as newsletters, letters, public exhibitions, drop-in sessions and other events to keep the community informed and engaged as appropriate.

Comments

8. Comments of the Finance Officer

8.1 Included within exempt Appendix 5

9. Comments of the Legal Officer

9.1 The approval in principal for the use of a joint venture partnership arrangement was given by the Mayor and Cabinet in June 2016. Officers are continuing to carry out due diligence to assess the most appropriate joint venture delivery structure and this will be reported back to Cabinet prior to the commencement of the procurement for the Joint Venture Partner(s). This report seeks approval to include the further areas set out at Recommendation 2 within the development area. The power for entering into these arrangements is section 1 of the Localism Act 2011, which enables the council to undertake any activity a normal person could undertake, subject to any statutory constraints on the council’s powers. There are also powers available
to the council under the Town and Country Planning Act 1990 and the Acquisition of Land Act 1981 to make a Compulsory Purchase Order where negotiations to acquire by private treaty have failed. The council may also use informal negotiations with landowners in parallel with formal compulsory purchase order proceedings to increase the likelihood of acquiring the land expeditiously.

9.2 The arrangements contemplated by a joint venture are likely to involve the disposal of land and the powers to dispose of the land will be considered when formulating the joint venture arrangements. The council has powers under section 123 Local Government Act 1972 to dispose of land. Consent of the Secretary of State is required for a disposal which is at least less than the best consideration reasonably obtainable. The council has power to dispose of housing land under section 32 of the Housing Act 1985 and all statutory tenant consultation will be undertaken in accordance with the provisions of the 1985 Act. Consent of the Secretary of State is required to dispose of housing land. The General Housing Consents 2013 sets out criteria which if met automatically means a disposal has the Secretary of State’s consent. General Housing Consent A3.2 permits a local authority to dispose of vacant land. If the General Consents do not apply then specific consent from the Secretary of State will need to be sought.

9.3 A Residents’ Charter was approved by the Mayor and Cabinet in November 2011 and this contains a number of commitments on the council’s part, to the tenants and homeowners of the estate. The provisions of the Charter will continue to apply to the remaining residents on the estate and will need to be taken into account.

9.4 As regards to decanting tenants separate consultation is necessary pursuant to section 105 (consultation on matters of housing management) of the Housing Act 1985. Any consultation should take into account all residents’ views, including eligible residents identified through the housing needs survey, leaseholders and freeholders. The consultation process should take into account existing resident groups and associations, as well as direct consultation with each household.

9.5 For residential properties, two forms of payment will be paid to tenants, leaseholders and freeholders: home loss payments under sections 29-33 of the Land Compensation Act 1973 and disturbance payments under the LCA 1973. For leaseholders and freeholders, these payments are in addition to their receipt of the market value of their property.

9.6 Where a tenant refuses to move, or has refused the offer of other suitable alternative accommodation, the council has the legal right to gain possession of the property for decanting and redevelopment purposes. The two grounds for possession relevant to regeneration are Grounds 10 and 10A (following approval from the Secretary of State) under Schedule 2 of the Housing Act 1985. Notices may be served on these grounds to ensure vacant possession of the properties. The Court has discretion on whether to order possession,
and needs to be satisfied that suitable alternative accommodation is available at the date of the hearing.

9.7 The duty to re-house leaseholders or freeholders only applies where “suitable alternative residential accommodation on reasonable terms” is not available to the residential occupier: s.39 of the LCA 1973. In most circumstances, this should be achieved on the open market, through the purchasing of a new property.

Report - Part B

1. Sustainability Impact Appraisal

1.1 Equality and Cohesion implications (including Human Rights Act)

1.1.1 The council has a public duty under the Equality Act 2010 to consider the impact of its decisions in terms of promoting and ensuring equality and cohesion across the different types of equality strands: age, sex, ethnicity, race, disability, sexual orientation, religion/belief, transgender and relating to pregnant and breastfeeding women.

1.1.2 A full EqlA has been completed to ensure that any equality and cohesion issues arising from the redevelopment proposals can be identified and mitigated accordingly. The EqlA is provided at Appendix 6.

1.1.3 The human rights of residents and businesses directly affected by the project will be considered throughout the development and delivery of scheme proposals. Provisions of the Residents’ and Shopkeepers’ Charters will apply and all necessary consultation will be undertaken to limit any negative impact on individuals’ human rights.

1.2 Does this report have any specific impact in relation to
- Protecting Children - n/a
- tackling crime and disorder - n/a
- economic impact

1.3 Economic Impact

1.3.1 The report recommends a development in line with the principles of the Core Strategy (2012), Detailed Sites and Policies DPD and Canning Town and Custom House SPD (2008). It is envisaged that the redevelopment of Canning Town and Custom House will have a direct impact on the economic vitality and prosperity of the area by creating a residential area that is better connected to surrounding neighbourhoods, enhanced town centres and public transport modes.

1.3.2 Ultimately the project will have positive social and economic impacts specifically relating to jobs and both affordable and private market housing, community facilities, public open space and support services for local shops and businesses.

General Report Template: Ver. 005 Last revised: January 2016
1.3.3 Any development partner(s) will be required to work in close partnership with the Economic Regeneration Team and Workplace to ensure that job and training opportunities are maximised for Newham residents. This will be further complemented by delivery of a socio-economic programme developed by the council and in partnership with any investment or development partner(s) which includes specific skills, training and employment initiatives to benefit residents of Canning Town and Custom House.

2. Comments of the Head of Procurement

2.1 The Head of Procurement who sits on the regeneration board has worked closely with the project team to ensure the procurement route being taken is compliant and offers the council the best quality and value.

3. Staffing Implications

3.1 n/a

4. Comments of the Head of Property

4.1 Property Services agree with and approve the course of action proposed by this report as drafted. The report has major property implications in terms of decanting tenants, acquiring property and achieving comprehensive development on a joint venture basis. The structure of the proposed arrangements and processes set out provide the basis for delivering the proposed scheme and Property Services will continue to work with the Project Board to assist in the delivery of this redevelopment.

5. Consultation

5.1 The Deputy Mayor (Statutory) - Strategic Delivery and Cabinet Member for Community Neighbourhoods, Regeneration and Planning and Public Affairs and Mayoral Advisor for Housing have been consulted throughout the preparation of this report, specifically on 22 March 2017 & 9 May 2017 and has raised no objections to the proposals.

5.2 Ward Councillors for Canning Town North, Canning Town South, Custom House and the Community Lead Member for CTCH were consulted at the Community Neighbourhood South Quadrant Meeting on 3rd May 2017. No objections to the proposals were raised.

5.3 For residents, a detailed consultation and engagement programme is, and will continue to be, implemented throughout the key stages of the regeneration process such as: decanting, acquisition, demolition, developer selection, design, planning and delivery.

5.4 Further details of the resident consultation undertaken to date are outlined in Section 2 of Report Part A.
6. Comments of the Head of ICT

6.1 As we develop and regenerate sites, consideration should be given to new Smart Homes Technology developments. The council also currently has its own fibre network across the borough. A consideration to expand this network while we are developing the area can lead to further savings for the council.

6.2 The ICT service will work closely with Regeneration to discuss and exploit these opportunities.
### Executive Report Signing-off Sheet

Text has been highlighted to assist with report drafting

**DO NOT DELETE HEADINGS; IF THE HEADING IS NOT RELEVANT PLEASE INSERT N/A**

<table>
<thead>
<tr>
<th>Title of Report:</th>
<th>Canning Town &amp; Custom House Regeneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Meeting:</td>
<td>Cabinet</td>
</tr>
<tr>
<td>Date of Meeting:</td>
<td>15 June 2017</td>
</tr>
<tr>
<td>Report Author(s):</td>
<td>Rachel Cockerill, Colin Boxall, Dan Hill</td>
</tr>
<tr>
<td>Service Area:</td>
<td>Regeneration and Planning</td>
</tr>
</tbody>
</table>

#### This Report is:

<table>
<thead>
<tr>
<th>A Key Decision (Yes/No):</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently listed on the Forward Plan (Yes/No):</td>
<td>Yes</td>
</tr>
<tr>
<td>A Policy Framework document (Yes/No)</td>
<td>No</td>
</tr>
<tr>
<td>An 'Exempt' Report, or will have exempt appendices (please specify):</td>
<td>Appendix 1: Development and Land Assembly Programme (Exempt) Appendix 4 – CTCH Business Case Change Request Appendix 5 – Finance Implications &amp; Finance Comments</td>
</tr>
</tbody>
</table>

#### The following Members and non-officer consultees have been considered in the preparation of this report:

<table>
<thead>
<tr>
<th>Name(s)</th>
<th>Date of meeting(s) / clearance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cllr Clark</td>
<td>22/03/2017 09/05/17</td>
</tr>
<tr>
<td>Cllr Paul</td>
<td>09/05/16</td>
</tr>
<tr>
<td>Cllr Patel</td>
<td>22/03/17</td>
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<tr>
<td>Cllr Ibrahim</td>
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<tr>
<td>Cllr Collier</td>
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<td>Cllr Easter</td>
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<tr>
<td>Cllr Scoresby</td>
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<tr>
<td>Cllr Holland</td>
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</tbody>
</table>

**There are 4 Mayoral Advisors for the Neighbourhood Areas. The wards each advisor covers are:**

- **Councillor Abdulmuhit:** Green Street East, Green Street West, Plaistow North, Plaistow South, Boleyn
### The following Members and non-officer consultees have been considered in the preparation of this report:

<table>
<thead>
<tr>
<th>Name(s)</th>
<th>Date of meeting(s)/clearance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Councillor Ibrahim:</td>
<td>Beckton</td>
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<td>Canning Town North</td>
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<td>Canning Town South</td>
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<td>Custom House</td>
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<td>Royal Docks</td>
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<tr>
<td>Councillor Mas Patel:</td>
<td>Forest Gate North</td>
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<td>Forest Gate South</td>
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<td></td>
<td>Stratford &amp; New Town</td>
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<td></td>
<td>West Ham</td>
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<tr>
<td>Councillor Salim Patel:</td>
<td>East Ham Central</td>
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<td>Little Ilford</td>
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<td>Manor Park</td>
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<td>Wall End</td>
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</tbody>
</table>

Overview and Scrutiny Committee (All policy framework documents must be submitted to the Committee before consideration by the Executive) **Contact**: Head of Overview and Scrutiny

Consultation with citizens, stakeholders and service users (list as appropriate): Custom House residents  
**Date**: Nov 2016 - March 2017

### The following officers have been considered in the preparation of this report:

<table>
<thead>
<tr>
<th>Description</th>
<th>Clearing Officer</th>
<th>Date clearance received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial comments/implications (in consultation with relevant Departmental Head(s) of Finance):</td>
<td>Director of Corporate Finance</td>
<td>06.06.17</td>
</tr>
<tr>
<td>Legal comments/implications (in consultation with Legal Services):</td>
<td>Director of Legal and Governance</td>
<td>06.06.17</td>
</tr>
</tbody>
</table>

**Please send reports (in the first instance) to the appropriate Principal Lawyer listed below**

- Procurement Contracts – Ian Chisnell
- Litigation and housing – Byron Britton
- Children and Adults – Stephen Doye
- Regeneration, Planning & Property – Siobhan Fry
- Enforcement, Prosecutions and Licensing – Mandeep Mehat
<table>
<thead>
<tr>
<th>Practice Management – Jo Swinton Bland</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Committees and Partnerships (Please send all draft reports to Committees and Partnerships)</td>
<td></td>
</tr>
<tr>
<td>Links to Strategic Commissioning and Equality Considerations (In consultation with the Head of Strategic Commissioning and Intelligence – Annette Hirons.)</td>
<td>Head of Improvement and Performance 16.05.17</td>
</tr>
<tr>
<td>Head of Public Policy – Please send all reports to David Morris</td>
<td>Head of Public Policy and research 16.05.17</td>
</tr>
<tr>
<td>Procurement implications (in consultation with the Strategic Procurement Unit):</td>
<td>Head of Procurement 02.06.17</td>
</tr>
<tr>
<td>ICT implications (in consultation with the Director of Technology and Innovation) – Priya Javeri, Director of Technology &amp; Innovation</td>
<td>Director of Technology and Innovation 22.05.17</td>
</tr>
<tr>
<td>Property/Land implications (in consultation with the Director of Asset Management): Mark Butler</td>
<td>Director of Asset Management 05.06.17</td>
</tr>
<tr>
<td>Human Resources implications (in consultation with the Deputy Director for Human Resources): Jan Douglas</td>
<td>Deputy Director for Human Resources n/a</td>
</tr>
</tbody>
</table>

Please confirm that the following has been completed:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A of the report is no longer than 4 pages long.</td>
<td>No*</td>
</tr>
<tr>
<td>List of Background papers <em>(this is a legal requirement)</em>:</td>
<td></td>
</tr>
<tr>
<td>When submitting final reports to Committees and Partnerships, links to background papers or the documents themselves should be attached (labelled as background documents).</td>
<td></td>
</tr>
<tr>
<td>Relevant exclusion paragraph if the report or any appendices are Exempt:</td>
<td></td>
</tr>
<tr>
<td>Urgency paragraph for late reports (if appropriate):</td>
<td></td>
</tr>
</tbody>
</table>

This report has been seen and cleared for submission to the meeting by:

Head of Service / Director

Date: ____________________________

The ED/DD must take responsibility for long reports. If Part A of the report is longer than 4 pages, please justify why this is necessary:

*It is necessary to provide the Mayor and Cabinet Members sufficient information to make informed decisions. In the interest of robust decision making, in this case...
information essential to Part A has exceeded the four pages.