

Appendix 2

APPLICATION FOR SECRETARY OF STATE'S CONSENT TO DISPOSE OF LAND OR PROPERTY UNDER SECTION 32 or 43 OF THE HOUSING ACT 1985 OR SECTION 25 LOCAL GOVERNMENT ACT 1988

(Please continue on an additional sheet, or expand in a covering letter, if necessary)

1. Applicant's Name and address.

London Borough of Hammersmith and Fulham
Hammersmith Town Hall
Kind Street
W6 9JU

2. Which section are you applying for consent under:-

Section 32 or 43 Housing Act 1985/ Section 25 Local Government Act 1988 (please delete as appropriate)

Section 32 of Housing Act 1985

Please note: It is not necessary to apply for consent under both section 25 and 32 for the same disposal. In the majority of section 25 cases the need for separate section 32 consent is not required.

3. Please provide the full address and location of the land/property (please attach a site plan):-

The West Kensington Estate
Fulham,
London, W14

The Gibbs Green Estate
Fulham,
London, W14

Please see attached plan Appendix 1 of Annex 1.

4. Is the land held under Part II of the Housing Act 1985? If not, please state under which provision the land is held.

Yes.

5. The land/property is tenanted/vacant (please delete as appropriate).

The land is tenanted. A breakdown of the tenure and property type of the residential properties on the Estates can be found in table 1 below.

	1 Bed Flat	1 Bed House	2 Bed Flat	2 Bed House	3 Bed Flat	3 Bed House	4 Bed Flat	4 Bed House	TOTAL
Council	163	0	212	0	46	75	8	27	531
Leasehold/Freehold	21	0	85	0	24	29	2	10	171
Housing Association	4	3	6	13	0	25	0	7	58
Total	188	3	303	13	70	128	10	45	760

There are also 58 social rented Housing Association (HA), properties on the estate, which have been developed piecemeal over the past 30 years, with the sites sold by the Council to the three HAs on long leases. These three HAs are Family Mosaic HA, London and Quadrant HA and Shepherds Bush HA.

6. If tenanted, please provide evidence that appropriate steps have been taken to consult secure tenants (Schedule 3A Housing Act 1985) or any other tenants.

From 6th January 2012 to 12th March 2012, the Council undertook a formal consultation with residents on whether the Estates should be included in the proposed comprehensive redevelopment scheme. This formal consultation also satisfied the requirements of section 105 of the Housing Act 1985 in relation to the secure tenants on the Estates.

The results of this consultation can be found at Appendix 5 of the enclosed Cabinet Report, which can be found at Annex 1.

Schedule 3A consultation is not relevant, as the Council will continue to be the landlord.

7. Disposal will be to:-

EC Properties LP
15 Grosvenor Street,
London,
W1K 4QZ

Is the buyer a wholly or partly owned subsidiary of the Council? If yes, what is the Council's share of the subsidiary?

No.

8. The disposal will be freehold/leasehold (If leasehold please give details):-

The disposal will be freehold. As part of the Conditional Land Sale Agreement, the Council would receive 760 replacement homes on a 995 year leasehold, (a virtual freehold), and remain the landlord of secure tenants affected by the scheme.

- 9. The open market value of the site/ dwelling as assessed by the Councils District Valuer or independent qualified valuer. Please include a valuation report which is no more than three months old. Please note that an estate agent's offer or valuation price is not sufficient:-**

Please find enclosed the best consideration letter from the Council's appointed independent qualified valuer. This is a letter dated 13/08/12 from Jones Lang Lasalle.

Please also see Cabinet Report 03/09/12 at Annex 1.

- 10. The consideration for the disposal.**

The Council will receive 760 brand new replacement homes and £105 million in cash, as consideration. The majority of the £105m, after costs, will be re-invested for housing and regeneration purposes. This is explained in detail in the enclosed Cabinet Report, dated 3rd September 2012 (Annex 1) . In particular please see:

- a. Section 6 & Appendix 6 – Conditional Land Sale Agreement
- b. Section 12 – Comments of the Executive Director of Finance and Corporate Governance
- c. Appendix 10 – Jones Lang Lasalle Best Consideration Letter
- d. Appendix 11 - PriceWaterHouseCoopers Best Consideration Letter

- 11. Reasons for disposal including why the disposal offers the best use and value of the property/land, what the proceeds will be used for and how the disposal fits in with the Councils housing strategy and aims. Please include a Council Committee Report supporting the disposal:-**

The Cabinet Report dated 3rd September 2012 recommending entering into the Conditional Land Sale Agreement is attached at Annex 1. The majority of the cash consideration of £105 million will, after costs, be reinvested for housing and regeneration purposes. In addition to the financial consideration, the proposed redevelopment has a number of advantages for tenants and leaseholders;

- Brand new replacement home
- "One move only" – Developer has to build and deliver up replacement homes in the local area before any council land is transferred
- Tenants remain secure Council tenants and pay Council rents
- Phased approach allows communities to be moved together

The proposed transaction also has a number of advantages for the Council;

- Comprehensive redevelopment allows existing housing stock to be replaced on a "new for old" basis; significant maintenance liability on the estates are avoided; 16% of existing tenants who are overcrowded can be re-housed in homes with enough bedrooms to meet their needs.
- Replacement housing is funded by private sector funds through the developer rather than through scarce public sector resources. Scheme is able to progress with no public subsidy.

The Council's Housing Strategy "Building a Borough of Opportunity" is scheduled to be considered by the Council's Cabinet on 15/10/12. The Greater London Authority has confirmed that the Housing Strategy is in general conformity with the Mayor of London's Draft Housing Strategy. The Housing Strategy, which is attached at Annex 2, has 3 objectives:

Objective 1 - Deliver Major Economic and Housing Growth within our Opportunity Areas

Objective 2 – Tackle Economic and Social Polarisation through the creation of mixed and balanced communities, where no one tenure predominates and where housing aspirations and needs are met

Objective 3 – Manage a better streamlined housing service, with a focus on local decision making, delivering outcomes that improve resident satisfaction.

Within Objective 1, Earls Court is identified as an Opportunity Area, which can drive major housing, economic and job growth.

Earls Court is identified with the LBHF Borough Investment Plan, submitted to the Homes and Communities Agency and the Mayor of London, as a major regeneration opportunity. The Borough Investment Plan was approved by the London Housing Board, chaired by the Mayor of London, in December 2011. A copy of the LBHF Borough Investment Plan is attached at Annex 3.

The comprehensive redevelopment proposed produces significant regeneration benefits, as set out in the Cabinet Report and the Economic Appraisal (Appendix 2 of the 3rd September Cabinet Report). These benefits can be summarised below:

- 7,583 new homes
- 36,033 construction jobs
- 9,528 permanent jobs
- £99.5m per annum of additional local expenditure

12. If the disposal is of land/housing which will be redeveloped please include details of the content of the development, including the mix of tenures to be provided, nomination rights, an estimated cost of designing and constructing the social housing and confirm whether existing properties will be demolished:-

The potential comprehensive development area including the Earls Court buildings, Lillie Bridge Depot, the Estates and Seagrave Road car park, was identified as an Opportunity Area in the London Mayor's Replacement London Plan in 2009. The London Plan, including the Opportunity Area, was adopted by the Mayor early 2012.

The Council's Core Strategy also recognises the development site and includes policies encouraging its comprehensive development. The Core Strategy was adopted in October 2011.

Capco employed Sir Terry Farrell & Partners to prepare a masterplan for the comprehensive development site, including the Estates, in June 2010. The

masterplan proposal is for a residential mixed-use scheme of 10.1m square feet above ground (excluding the Seagrave Road site). The masterplan is centred on the concept of building four new 'villages' and a new high street linking North End Road and Earls Court tube station.

The masterplan proposes approximately 7,583 new homes including 760 replacement homes and an estimated further 740 additional affordable homes, new offices and commercial activities, new education and health facilities including a new primary school, new play and recreational facilities, (including a new linear park) and a new high street with shops, cultural and community activities.

The existing properties on the two housing estates will be demolished to facilitate the comprehensive regeneration scheme. The cost of replacing the 760 homes currently located on the estates is estimated at £170m.

- 13. Please confirm that the disposal/financial assistance is not covered by the General Consents under section 32 of the Housing Act 1985 issued in May 2012 and the revised General Consents under section 25 of the Local Government Act 1988 issued on 9 December 2010 and please explain why it is not covered:-**

The proposed scheme is an extensive regeneration of one of the Council's key estates. Residents will have been relocated to replacement new housing and the land will be vacant before it is transferred to the developer, however at the time of entering into the CLSA the dwellings are occupied and therefore we do not believe this is covered within the General Consents.

- 14. I certify that the information on this form is correct and that the disposal has been authorised by the appropriate Committee of the Council. I am not aware of any other information which might materially affect the Secretary of State's consideration of this application.**

Signature

Please print name

Position

Date

Please return the completed form and any enclosures to Henry Boye Zone 1/E1, Affordable Housing Management and Standards, Department for Communities and Local Government, Eland House, Bressenden Place, London, SW1E 5DU