

Committee: Cabinet

Date: 15 January 2018

Wards: Abbey, Figges Marsh, Ravensbury.

Subject: Delivering Clarion Housing Regeneration project: In Principle Use of Compulsory Purchase Powers

Lead officer: James McGinley, Assistant Director for Sustainable Communities.

Lead member: Councillor Martin Whelton, Cabinet Member for Regeneration,
Environment & Housing.

Contact officers: Paul McGarry, Head of Future Merton

Recommendations:

That Cabinet resolves to recommend that full council supports the following:

- A The considerable work already underway to support the regeneration of Eastfields, High Path and Ravensbury estates; attracting £1bn investment in Merton, creating much needed new homes and jobs.
- B Agree in principle that the council exercises its compulsory purchase powers to support the delivery of the Merton Estates Regeneration Programme and the objectives of Merton's Estates Local Plan to acquire the land as required within the areas described in this report and shown edged red on the plans attached at Annex 1 of this report.
- C That Council Officers in conjunction with Clarion Housing Group (Clarion) begin preparatory work for the compulsory purchase which would include specific land interests to be acquired so that Clarion can deliver the regeneration of the Eastfields, High Path and Ravensbury Estates.
- D That Personna Associates land referencing agents are appointed by Clarion who will be responsible for the costs of that appointment and serve requisitions on landowners who will declare their land interests.
- E That Council Officers commence the preparation of all documents required to support the CPO process including preparation of the necessary statements of reasons and the requisite statutory notices.
- F That the Council and Clarion enter into a Compulsory Purchase Order Indemnity Agreement under which Clarion will indemnify the Council against all the costs and expenses involved in making the CPO including the acquisition costs of the properties and the compensation due to Landowners.
- G That a financial allocation may be required for the council's Capital Programme from 2018-19 onwards deliver this approach. Any financial allocation would be considered by the

council's financial approval process nearer the time under the council's Constitution and would be fully indemnified by Clarion Housing Group as set out in Recommendation F.

H That Officers agree the joint appointment of Leading Counsel with Clarion Housing Group and the appointment of Leading Counsel to provide advice to the Council, if necessary.

To note

Compulsory acquisition of land is only a last resort where negotiations have broken down but is likely to be necessary in some cases so that the Merton Estates Regeneration Programme can be delivered and achieve the following:

- Comprehensive regeneration of two housing estates (Eastfield and High Path) and partial regeneration of another (Ravensbury);
- a significant contribution towards creating new homes within Merton over the coming years;
- the replacement of poor quality and outdated housing stock with modern, high quality fit for purpose accommodation;
- creation of new and distinct characterful neighbourhoods with public spaces, amenities and commercial and retail opportunities;
- economic and employment benefits for the Council by providing the following benefits:

£1bn investment

2,800 homes

£650m construction

No loss of affordable housing

£30m community infrastructure

£2m Council Tax a year

1,500 more houses and flats | **100% Lifetime Homes**

500+ construction jobs

Energy efficient homes

150 retail jobs | **Space for 50 new start ups**

2 low carbon energy centres

Hundreds of apprenticeships

2 new parks | **Hundreds of new trees**

Officers, supported by professional legal advice are of the view that a compelling case in the public interest can be demonstrated from the desirability of implementing the Merton Estate Regeneration Programme for the following reasons:

- Regeneration of three housing estates;
- The enabling effect of the Merton Estate Regeneration Programme in allowing the smaller estates of Ravensbury and Eastfields (the Estates) to be regenerated as part of a comprehensive programme;
- Significant increase in the supply of dwellings in the borough;
- Replacement of poor quality, and in some cases defective housing stock with modern homes that meet high standards of accommodation in accordance with Policy;
- Economic, skills and employment benefits;
- Strong planning policy support for the Merton Estate Regeneration Programme;
- The ability for the Council to ensure high quality redevelopments of the Estates through the planning process due to the implementation of Merton's Estates Local Plan;
- A strong residents' offer has been made, based on on-going community engagement that treats residents fairly and ensures communities within the Estates can remain consistent and cohesive after the regenerations;

All necessary expenditure associated with such preparatory work (including legal fees, consultants' fees and any other investigative work or research) will be funded by Clarion Housing Group.

Subject to Cabinet and Council's approval of this report, a further report will come forward to councillors in 2018 recommending the making of one or more compulsory purchase orders.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to request that Cabinet recommend that Full Council pass a resolution to agree, **in principle**, to use its compulsory purchase powers for acquisition of land necessary for the delivery of the Council's Estates Local Plan and the Merton Estates Regeneration Project.
- 1.2 This report is coming forward now following the successful examination in public of the Estates Local Plan by the Planning Inspector appointed by the Secretary of State. The Estates Local Plan has been subject to extensive consultation and a post-examination consultation on change. The Inspector provided his final report in December 2017

Adoption of the Estates Local Plan is the subject of a separate report to Cabinet and Full Council at the same meeting.

1.3 Council officers now seek authority to begin preparatory and planning work to use its compulsory purchase powers (should they be required) for all the land interests not yet in the ownership or control of Clarion Housing Group within the Merton Estate Regeneration Programme area.

1.4 This **in principle** decision will be followed by further formal requests to Cabinet and Council to resolve to make and serve future Compulsory Purchase Orders (CPOs) **only once the following conditions have been reached:**

- The Estates Local Plan has been adopted by a resolution of full council;
- A resolution to grant planning permission has been made for the relevant planning permissions;
- An approach has been made to all landowners with a view to acquiring the land voluntarily and voluntary acquisition negotiations have not been successful in all cases;
- A detailed statement of reasons setting out the justification of any CPO(s) has been prepared; and is agreed by the council; and
- A CPO indemnity agreement has been duly executed between the Council and Clarion Housing Group to cover all LBM costs throughout the process

1.5 If recommended, the Council would agree the in principle justification to exercise its use of compulsory purchase powers on those interests in land within the red line areas as illustrated at Annex 1 and where it has not been possible, despite reasonable efforts being made, to acquire the land voluntarily by negotiation.

1.6 Passing an **in principle** resolution would facilitate negotiations as landowners would understand that the Council has the means to progress the Merton Estates Regeneration Project. If a voluntary acquisition could not be achieved in a reasonable timescale for all properties, compulsory powers would be used. The resolution will demonstrate the Council's commitment to the project and will provide certainty in negotiations with landowners. Passing this resolution provides certainty to the delivery of the council's Estates Local Plan and the Clarion Merton Estate Regeneration Programme design and construction programme.

2 DETAILS

Background to the Merton Estates Regeneration Programme

2.1 Large scale regeneration especially the larger housing estates, has been pursued by the Council over many years and through many policy evolutions. The ambitions for more and improved housing, enhancements to the quality of people's homes and environment, better transport and employment across the borough have been reflected in numerous strategies for planning, housing and the economy.

- 2.2 A key element of the Council's Core Planning Strategy and Housing Strategies is to increase the housing stock and improve access to appropriate sized homes and develop access to affordable and intermediate housing. The Merton Estate Regeneration Programme directly reflects these objectives and the Council's support for these objectives is set out in the Estates Local Plan..
- 2.3 When Clarion acquired responsibility for all of the Council's housing stock, they committed to improve the accommodation to improve the quality of life for residents. However, in working towards this goal, stock condition surveys identified that significant refurbishment and maintenance work as well as financial investment was required. Clarion therefore began a comprehensive review across all the estates to determine whether refurbishment was viable or whether it might be more beneficial and sustainable to replace homes in the poorest condition with new properties.
- 2.4 The outcomes of detailed analyses are that three existing housing estates **High Path** (Abbey), **Ravensbury** (Ravensbury) and **Eastfields** (Figges Marsh), together known in this report as the **Estates** had the most viable regeneration potential.
- 2.5 Since the summer of 2013, Clarion Housing Group and its predecessor Circle Housing Merton Priory has been consulting and engaging with residents and homeowners on the High Path, Eastfields and Ravensbury Estates about the possibility of regeneration.
- 2.6 In July 2014 Merton Council took the in principle decision to explore regeneration via the production of an Estates Local Plan in consultation with residents, the Greater London Authority, the Developer, Transport for London and other interested parties. As well as engagement, the Council has analysed the evidence carried out by Clarion to support the case for regeneration.
- 2.7 In September 2014 the Council and Clarion signed 'Ten Commitments' to ensure residents remain at the heart of decision-making. The Council has concluded that the regeneration of the Estates should be supported.
- 2.8 In January 2016, the Council resolved to consult on the draft Estates Local Plan and also resolved to finalise a revised delivery timetable for the implementation of the Decent Homes Programme on the High Path, Eastfields and Ravensbury Estates with Clarion.
- 2.9 The Council then undertook to prepare and consult on the Estates Local Plan to guide and support the regeneration of the three neighbourhoods. The council resolved to submit Merton's Estates Local Plan to the Secretary of State in March 2017; it has been examined in public by an independent planning inspector and the Inspector published his final report on 18 December 2018.
- 2.10 Over a period of 10-15 years, the Merton Estate Regeneration Programme will provide up to 2,700 new homes, including the provision of modern homes for many existing residents; Clarion tenants and resident leaseholders and freeholders. The Merton Estate Regeneration Programme will be brought forward primarily under three separate planning permissions, one for each Estate, with each of the areas to be developed in phases.
- 2.11 There will be no loss of social/ affordable housing and the number of social/ affordable bed-spaces provided will increase as Clarion addresses historic overcrowding in the three neighbourhoods when rehousing the existing social/ affordable tenants based on needs plus one.

- 2.12 All existing Clarion social /affordable tenure tenants and resident homeowners will be able to stay in new homes in the new neighbourhoods if they choose to. This is in line with the Clarion Residents' Offer published in May 2015 following consideration by Cabinet in April 2015 (the **Residents' Offer**).
- 2.13 Clarion already owns over 70% of the homes across the three regeneration areas. Clarion needs to acquire all of the remaining leasehold and freehold interests within the regeneration areas to deliver the regeneration programme and since May 2015 they have been negotiating with homeowners to acquire the remaining properties under the terms of Clarion's Residents Offer.
- 2.14 The terms of Clarion's Residents Offer offers replacement homes to leaseholders and freeholders. Clarion expects that the majority of the homeowners who qualify for a replacement home will accept this offer.
- 2.15 To date, 102 homeowners have voluntarily sold their long leases or freehold interests to Clarion. There are a number of resident and non-resident homeowners and who may not wish to sell voluntarily and will only sell their property once a compulsory purchase order is in place.

3 **CONSULTATION UNDERTAKEN**

The table below shows the timeline of the consultation undertaken and the decisions taken to date:

London Borough of Merton	Date	Clarion
Cabinet report (for information only) – November 2013	2013	Initial resident consultation on possible regeneration Summer 2013
Council decision to explore regeneration - July 2014 Estates Local Plan – Issues and Options consultation Sept-Nov 2014	2014	Appointment of master-planning architects March 2014
Preparation of draft Estates Local Plan November report to Cabinet	2015	Masterplan developed in consultation with residents 2014-2015 Residents offer published May 2015 MES market research survey Summer 2015
Draft Estates Local Plan consultation Feb-March 2016 November report to Council recommending submission to the Secretary of State Draft Estates Local Plan pre-submission publication Dec 2016 – Feb 2017	2016	

Estates Local Plan submission to planning inspector – March 2017 Phase 1 planning consent Ravensbury - May 2017 Examination July 2017 Phase 1 planning consent High Path - Oct 2017 Main modifications and consultation Sept – Nov 2017 Inspector’s final report received Dec 2017	2017	Clarion Board confirm decision to submit three outline planning applications March 2017 Submission of outline planning applications
Council considers adoption of the Estates Local Plan and this report	2018	Decision on outline planning applications

Clarions consultation approach:

- 3.1 Clarion states that their approach to consultation is inclusive and resident focussed. Clarion recognises that not everyone will want or be able to attend consultation events and that some residents may prefer to have a face to face conversation with our local regeneration manager. Clarion have a dedicated regeneration manager for each of the three estates. The regeneration managers arrange for translation and interpretation of information about regeneration. They also liaise with family members and support workers where necessary and ensure that information is available to all residents, homeowners and stakeholders.
- 3.2 In 2014/15 Clarion engaged Newman Francis as an independent resident advisor to support the master-planning and residents offer consultation. Open Cities, specialists in architecture and design education ran a series of workshops for residents in 2016/17 to help them to understand the design process, these were very well received by the participants.
- 3.3 When holding consultation events Clarion arrange events on Saturday daytime and weekday evenings repeating events so that as many residents and stakeholders as possible have the opportunity to attend. Clarion always offer to meet residents in their homes if that is what they need or prefer.
- 3.4 **High Path consultation:**
- 3.5 Between July and August 2013 Clarion initiated consultation with residents and stakeholders on the possibility of regeneration. In all 371 individuals attended the seven events, all residents were ‘door knocked’ and all absentee homeowners were contacted by letter and, wherever possible, in person either face-to-face or by telephone. Almost all residents and homeowners were spoken to in person.
- 3.6 Following the decision to proceed with master-planning for High Path a further seven events were held between June and August 2014. Two specific coffee morning for older residents were held and 27 older residents attended. Three site visits were organised and 45 residents had the opportunity to visit other regeneration projects elsewhere in London and the south east..

- 3.7 In September and October 2014 Clarion held two drop in sessions for residents to raise issues concerns or make comments about the regeneration proposal. 21 residents attended these events. In October 2014 178 residents attended events to see the first draft of the High path masterplan.
- 3.8 Between November 2014 and March 2015 Clarion consulted on the residents offer, including the rehousing and financial offer to homeowners. 162 homeowners attended these events.
- 3.9 The launch of the residents offer in May /June 2015 was marked with three consultation events attended by 224 residents. Copies of the residents were hand delivered to resident homeowners and posted to non-resident homeowners.
- 3.10 Events to consult on the new homes were held during January 2016, 197 residents attended these events.
- 3.11 In May 2016 a specific consultation event was held for the residents of Rodney Place, the closest neighbours to the first phase on High Path. 13 residents from Rodney Place attended that event.
- 3.12 Between May and September 2016 six further events and exhibitions were held to consult on the new homes, at total of 343 residents attended those events. In November and December 2016 Clarion held two masterplan events attended by 76 residents and stakeholder.
- 3.13 In September and October 2017 shortly before the submission of masterplan applications Clarion held a series of three further information events attended by 128 residents and stakeholders

Ravensbury consultation:

- 3.14 Between July and August 2013 Clarion initiated consultation with residents and stakeholders on the possibility of regeneration. In all 244 individuals attended the seven events, all residents were 'door knocked' and all absentee homeowners were contacted by letter and, wherever possible, in person either face-to-face or by telephone. Almost all residents and homeowners were spoken to in person.
- 3.15 Following the decision to proceed with master-planning for Ravensbury a further six events were held between June and October 2014. Two estate wide drop in events were held and 63 residents attended. Two site visits were organised and 10 residents had the opportunity to visit other regeneration projects elsewhere in London and the SE. Estate walkabouts with the architects and an older person's focus group were also held and attended by 8 and 6 residents respectively.
- 3.16 Between November 2014 and March 2015 Clarion consulted on the draft masterplan and the residents offer, including the rehousing and financial offer to homeowners. 129 homeowners attended these events.
- 3.17 The launch of the residents offer in May /June 2015 was marked with three consultation events attended by 105 residents. Copies of the residents were hand delivered to resident homeowners and posted to non-resident homeowners.

- 3.18 Events to consult on the new homes were held during January 2016, 103 residents attended these events.
- 3.19 In May 2016 a specific consultation event was held to discuss the implications on estate parking during the construction of the first phase of housebuilding, 28 residents attended these events.
- 3.20 In November 2016 a masterplan final exhibitions were held, 52 residents attended.

Eastfields consultation:

- 3.21 Between July and August 2013 Clarion initiated consultation with residents and stakeholders on the possibility of regeneration. In all 250 individuals attended the seven events, all residents were 'door knocked' and all absentee homeowners were contacted by letter and, wherever possible, in person either face-to-face or by telephone. Almost all residents and homeowners were spoken to in person.
- 3.22 Following the decision to proceed with master-planning for Eastfields between June and July 2014 there were four consultation events including two workshops attended by 155 residents and stakeholders, 29 residents also visited Gt Knighton in Cambridge and Newhall Be in Essex to look at other newly built housing developments. A further 29 residents also visited Horstead Park in Kent and Kidbrook Village in Greenwich.
- 3.23 In August 2014 Clarion held focus groups specifically for older residents and parents carers to ensure that their voices were heard and their views fed into the design process. 14 older/parent/carer residents attended the focus groups.
- 3.24 A design workshop to look at flat types and layouts was held in September 2014, 23 residents attended.
- 3.25 Two workshops on the residents and homeowners housing and financial offer were held in November 2014. 159 stakeholders, mainly homeowners, attended these events.
- 3.26 Landscaping and parking and housing options workshops were held in March 2015 and 31 residents and stakeholders attended to share their views.
- 3.27 A workshop specifically for Tamil residents was held in July 2015 and 8 resident Tamil households were represented, interpretation services were available at the workshop.
- 3.28 Further master-planning events, six in all, including a final exhibition were held in November and December 2016. 104 residents and other stakeholders attended the six events.
- 3.29 In January and February 2017 21 Eastfields residents took part in the Open City design workshops and several also attended a site visit to the Aylesbury Estate in Southwark and the Kender Triangle in New Cross Gate, Lewisham
- 3.30 In addition, statutory consultation has been carried out as part of the Estates Local Plan process and each outline planning application will have public consultation in accordance with the legislative requirements. This is set out in detail in the report to the same meetings "Adoption of Merton's Estates Local Plan".

3.31 Further consultation will take place on the detailed design of each phase at the appropriate time.

4 **COMMITMENTS TO RESIDENTS AND RESIDENTS OFFER**

4.1 The Council acknowledges that when proposing large scale regeneration, there are considerable uncertainties and challenges for residents. The Council and Clarion have undertaken significant consultation with residents. The consultations undertaken are detailed fully in later in this report. To support the Merton Estate Regeneration Programme and to ensure fairness for residents, the Council and Clarion agreed a series of promises to residents, known as the Ten Commitments which are:

- Clarion will consult with residents, consider their interests at all times, and address concerns fairly.
- Current homeowners will be entitled to at least the market value of their home should they wish to take the option to sell their home to Clarion.
- Existing tenants will keep all their rights, including tenancy conditions and the associated rent level, in the new neighbourhood as they do now.
- Current tenants will be entitled to be rehoused in a new home of appropriate size considering the number of people in their household.
- All new properties will be more energy efficient and easier to heat than existing properties, helping to keep down residents' fuel bills.
- Clarion will keep disruption to a minimum, and will do all it can to ensure residents only move once if it is necessary to house them temporarily while their new home is being built
- Clarion will offer extra help and support for older people and / or disabled residents throughout the regeneration works.
- Clarion will continue to maintain the homes of residents across the three neighbourhoods throughout the planning process until regeneration starts, including ensuring a high quality responsive repairs service.
- Any growth in the number of homes will be consistent with the Council's Development Plan so that it is considered, responsible and suitable for the area.
- As a not for profit organisation, Clarion will not profit from any regeneration and will use any surplus to provide more housing or improve existing neighbourhoods.

4.2 Clarion has made a detailed Residents' Offer to residents, initially in 2015.. They have also made a series of commitments on repairs and maintenance. These service elements are of considerable importance to residents.

4.3 The Residents Offer details the Replacement Home Option which is offered to those resident homeowners who were living on one of the three neighbourhoods on the 27 May 2015 (when the Residents Offer was published). The Replacement Home Option confirms:

- If you are currently a freeholder you will be offered a freehold on your new property.
- If you are a leaseholder you will be offered a new 125-year lease on your new property.
- The Replacement Home will be at least as large as the home it replaces, unless you choose to move to a smaller home.
- Every Replacement Home will have private outdoor space (i.e. a garden, balcony or roof terrace) irrespective of whether the original home had this or not.
- If you live in a house you will be offered a house, if a flat a new flat and a maisonette a new maisonette.
- The new home will have the same number of bedrooms as the existing home had when it was first built.
- There will be a Replacement Home for every resident homeowner who chooses to stay.
- They will be entitled to a £3,000 disturbance allowance.

4.4 Clarion has committed, where possible, to moving resident homeowners straight into their new Replacement Home, i.e. without the need to be temporarily housed. The phasing plans for all three neighbourhoods have been designed to accommodate this approach. For a small number of existing resident homeowners this may not be possible, for example as a consequence of their choice of location and its position in the phasing plan. Clarion may be able to offer a temporary home in their neighbourhood or another part of Merton.

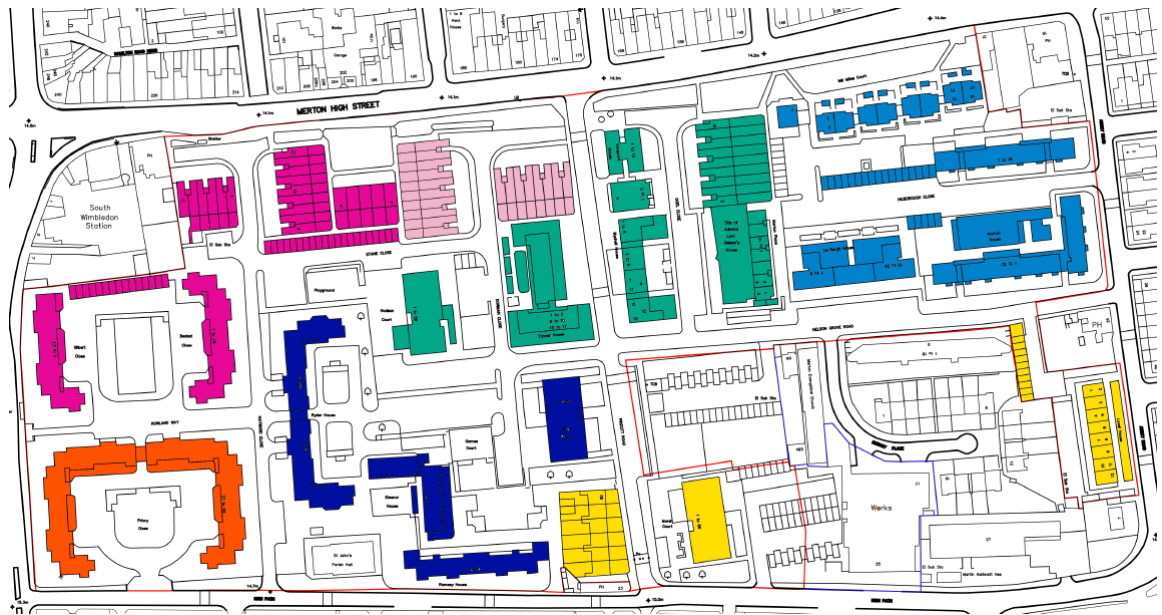
4.5 A disturbance payment of £3,000 will be available. Resident homeowners won't be charged rent in their temporary home as long as they agree to the terms set out in the Residents Offer regarding accepting the market value plus 10 per cent for their existing home, the value of the new home and the licence agreement for the temporary home.

4.6 **The Merton Estate Regeneration Area**

4.7 The Merton Estate Regeneration Programme consists of three separate but linked regeneration areas supported by a single financial plan. The three estates were transferred to Clarion (formerly Circle Housing Merton Priory) as part of the 2010 stock transfer.

4.8 Clarion already owns over 70% of the homes in the three regeneration areas. The land and interests that may be subject to a CPO are any areas within the Estates that are not within the ownership of Clarion or the Council which are required to facilitate the respective regeneration schemes.

- 4.9 High Path is situated in Abbey Ward. The estate is located in South Wimbledon and covers an area of approximately seven hectares.
- 4.10 Clarion Housing Group currently own 401 (66%) of the 608 homes on the estate, having acquired 55 homes by negotiation since 2015.
- 4.11 High Path is characterised by a mix of architectural styles and building typologies. The estate was built between the 1950s and 1980s, after the clearance of houses on land formerly part of the Merton Place estate. The area of the estate, just north of St. John the Divine Church consists of four storey blocks arranged around courtyards. At the centre of High Path are three high rise towers and adjacent to Merton High Street the scale gradually decreases down to 2 and 3 storey houses.



- 4.12 Clarion's current proposals are to build High Path over seven phases. At High Path planning permission for a first phase of development was granted in October 2017 under reference 16/P3738. The development is to provide 134 residential units with 31 car parking spaces, 249 cycle spaces and various public realm works. Phase 1 does not form part of the proposed area of land that will be subject to a CPO. It will be used primarily to provide existing residents with homes when the construction phases of the wider estate regeneration programme commence.

High Path	Blocks in phase	When vacant possession is needed
Phase 2	Marsh Court, Lovell House, Pincott Road	Q2 2020
Phase 3a	Beckett Close, Gilbert Close, Hayward Close, Stane Close	Q2 2020
Phase 3b	Dowman Close	Q3 2022
Phase 4	Norfolk Hse, Hillborough Ct, Deburgh House, Will Miles Court	Q1 2025

Phase 5	Doel Close, Mychell House, Vanguard House, Merton Place, Tanner House, Hudson Court, Ryder House	Q1 2026
Phase 6	May Court, Eleanor House, Ramsey House, Ryder House	Q1 2028
Phase 7	Priory Close	Q2 2030

4.13 Ravensbury Estate is in the Ravensbury Ward and covers a total area of 4.58 hectares. The perimeter of the estate is bound by the curved alignment of the busy Morden Road, to the north and west, Ravensbury Park to the South and Morden Road Industrial Estate to the East. The estate is a quiet residential area with no through road.

4.14 Ravensbury was built in the early 1950s and comprises 192 dwellings in a mixture of semi-detached and terraced houses, flats and maisonettes. The flat block and the terraced houses are of a brick construction, the semi-detached houses of concrete construction.



4.15 Clarion Housing Group currently own 91(90%) of the 101 homes on the part of the estate to be regenerated, having acquired 5 homes by negotiation since 2015.

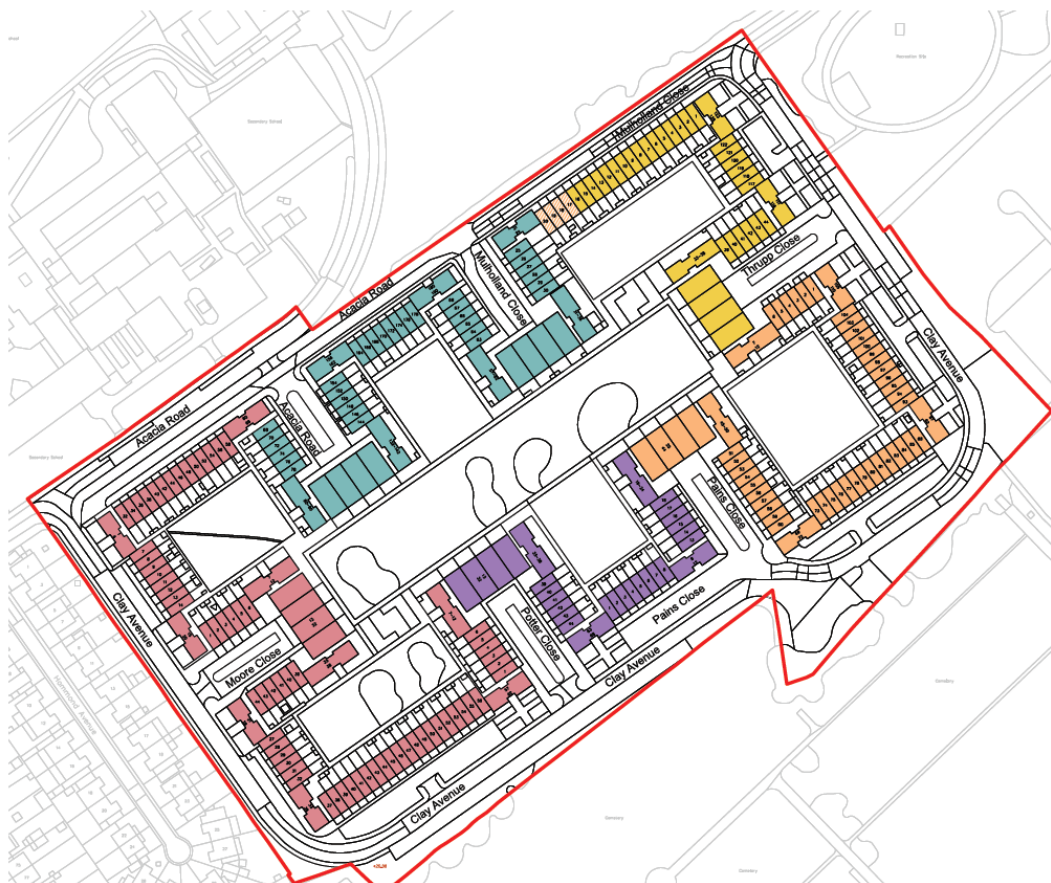
4.16 Clarion's current proposals are to build Ravensbury over four phases. At Ravensbury planning permission was also granted for the first phase of development under reference 16/P1968. This development was for 21 residential units together with associated infrastructure. Phase 1 does not form part of the proposed area of land that will be subject

to a CPO. It will be used primarily to provide existing residents with homes when the construction phases of the wider estate regeneration programme commence.

	Blocks in phase	When vacant possession is needed
Ravensbury		
Phase 2	227-241 Morden Road, 1 Hatfeild Close, 1-14 Rutter Gardens, 36-54 Ravensbury Grove	Q1 2019
Phase 3	211-225 Morden Road, 2-21 Hatfeild Close, 20-34 Ravensbury Grove)	Q1 2021
Phase 4	171-209 Morden Road, 2-18 Ravensbury Grove	Q4 2022

4.17 Eastfields is situated in the Figges' Marsh Ward and located to the east of Mitcham Town Centre covering approximately 6.9 hectares. The site is bound by Acacia Road and Mulholland Close to the north, Clay Avenue to the east and south and Hammond Avenue to the west. The site is also surrounded to the north by two schools (St Mark's Church of England Academy and Lonesome Primary School) and to the south by London Crematorium, Streatham Park and the Jewish cemeteries and Long Bolstead Recreation Ground to the west.

4.18 The estate was built in the 1970s and comprises 465 homes; Clarion Housing Group own 333 of these homes, having acquired 42 by negotiation since 2015 under the terms of the residents offer. The Eastfield Homes are a combination of three storey houses with integral garages and flats in three storey blocks, each having one or two bedrooms.



Eastfields	Blocks in phase	when needed
Phase 1 a/b	17-20 Mulholland Cl, 69-110 Clay Avenue, 1-12 Thrupp Close, 25-60 Pains Close)	Q2 2019
Phase 2	(63-69 Clay Avenue, 1-24 Pains Close 13-44 Potter Close)	Q1 2022
Phase 3	1-62 Clay Avenue, 32-66 Acacia Road, 1-12 Potter Close, 1-44 Moore Close	Q2 2024
Phase 4	68-190 Acacia Rd, 21-68 Mulholland Close	Q4 2026
Phase 5	13-44 Thrupp Close, 1-16 Mulholland Close, 111-128 Clay Avenue	Q3 2029

5 POLICY CONTEXT

5.1 There are five documents which make up the borough's Development Plan:

- The Estates Local Plan [once adopted].
- The Mayor's London Plan 2016 (and any subsequent amendments) (the London Plan);
- The Council's Core Planning Strategy 2011;
- The South London Waste Plan 2012;
- The Sites and Policies Plan 2014;
- Policies Map 2014; and

5.2 Merton's Core Planning Strategy is the key policy document in the Council's Local Plan setting out the spatial strategy for the borough. The document provides a co-ordinated long term spatial vision and a means to deliver that vision. Within the CPS it is identified that inequalities including housing choices, need to be reduced and that a joined up approach with physical regeneration and other measures outside of planning will help to do this. Strategic objectives of the CPS aim to provide new homes through physical regeneration and effective use of space through the delivery of high density new homes; and promote socially mixed, sustainable, vibrant and healthy communities.

5.3 Merton's Estates Local Plan has been prepared by the Council to help guide what could be built and to assist with assessing planning applications for redevelopment of the Estates. It expresses support for the aims of the Merton Estate Regeneration Programme and aims to shape significant investment in the borough and recognises the opportunity to support substantial improvements to each of the Estates, to create sustainable, safe and well-designed neighbourhoods aimed at improving the quality of life and life chances of existing and future generations. It states this will be achieved through the regeneration of the whole estates at High Path and Eastfields, and the partial regeneration of Ravensbury. It seeks to provide new homes for existing residents at the same time as creating an attractive, well-connected neighbourhood and providing new homes to help address the

needs of future residents. It also recognises and promotes opportunities for environmental and economic benefits.

- 5.4 Merton's Estates Local Plan is based on deliverability evidence that shows that the Estates must come forward together to achieve regeneration. The Merton Estate Regeneration Programme presents a particular opportunity for the smaller estates at Eastfields and Ravensbury where regeneration is only financially viable if they are developed in conjunction with High Path as a comprehensive regeneration proposal.
- 5.5 Merton's Estates Local Plan proposes a set of overarching and site specific design-led policies to guide development on each Estate. This is based on a detailed site analysis of the current neighbourhoods and a study of the historical context of the three Estates.
- 5.6 Merton's Estates Local Plan further sets out detailed design parameters to ensure design consistency across each of the Estates. It is envisaged that the delivery programme will cover a period of 10 to 15 years and will occur over several phases. The Estates Local Plan is key to creating a robust and clear planning basis for development setting out the strategic framework to guide any redevelopment proposals. A separate report to this meeting recommends the adoption of the Estates Local Plan to Cabinet and Council.
- 5.7 The Mayor's London Plan provides a strategic spatial strategy within Greater London and forms part of the Council's development plan. The London Plan sets out a number of objectives to: optimise the potential of development sites; make the most sustainable and efficient use of land, particularly in areas of good public transport; improve the quality of life; deliver high quality new homes; mitigate and adapt to climate change; and secure a more attractive, well designed green city.
- 5.8 The London Plan sets housing provision monitoring targets for London boroughs, of which the Council is currently required to deliver a minimum of 4,107 net additional homes per year between 2015 and 2025. Boroughs are asked to achieve and exceed this target through Policy 3.3D. It also sets strategic policies which encourage the replacement of existing housing with higher densities; encourage the provision of affordable housing; require high quality development creating functional, accessible and inclusive homes and neighbourhoods, with minimum unit and playspace requirements. There is also an emphasis on creating mixed and balanced communities, and it states that estate renewal should take into account the regeneration benefits to the local community. The Mayor has also produced a draft Good Practice Guide for Estate Regeneration, which place emphasis on ensuring no net loss of affordable habitable rooms or floorspace and effective engagement with residents. The Mayor has also published a draft of his new London Plan for consultation (November 2017 to March 2018) which, once adopted, will replace the existing London Plan.
- 5.9 Outline planning applications have been submitted one for each Estate, which are proposed for determination in early 2018. The outline planning applications will support the CPO(s) for each Estate. The applications, if granted, will govern the redevelopment of each Estate in the Merton Estate Regeneration Programme, guided in each case by the Estates Local Plan.

6 THE CASE FOR COMPULSORY ACQUISITION

- 6.1 It is a likely that a CPO in connection with the Merton Estate Regeneration Programme would be made under planning powers, that is, under section 226 of the Town and

Country Planning Act 1990. This power is designed to facilitate regeneration projects and is likely to be considered the most appropriate power available to the Council in the context of the Scheme. However, before making a CPO, the Council will need to consider all appropriate statutory powers including those under S17 of the Housing Act 1985.

- 6.2 Guidance to acquiring authorities on the use of compulsory purchase powers is set out in a note published by the Department for Communities and Local Government in October 2015 entitled “Compulsory Purchase and the Crichel Down Rules” (the Guidance). The Guidance provides helpful information on the matters which the Secretary of State will take into account when considering whether or not to confirm a CPO.
- 6.3 The Guidance states that the Council must demonstrate a 'compelling case in the public interest', and that the public benefits that will arise from the purpose for which the land is to be acquired (the scheme) outweigh the impact on those affected. The Council must demonstrate both the need for the Scheme, in principle, and the need to acquire each and every parcel of land included in the CPO.
- 6.4 The Guidance further states that in considering whether or not to confirm a CPO, the Secretary of State will have regard to the extent to which the purpose for which the land is being acquired fits with the adopted development plan for the area. In this case the policy support from the Estates Local Plan presents robust and up to date policy support as well as national and regional support.
- 6.5 The Council must demonstrate that there are no impediments to proceeding with the Scheme, for example the need for planning permission. In the event that planning permissions and consents have not been obtained by the time the CPO is made, it would have to be demonstrated that there is no reason to have serious doubts that they would be granted. Any potential impediments to the delivery of an outline planning permission for any Estate would need to be considered on a case by case basis when specific CPO's are being considered.
- 6.6 The Council must demonstrate that it has the financial resources not only pay compensation arising out of a CPO, but also to implement the Scheme underlying the CPO. In this case, all costs and expenses of CPO's and the Merton Estate Regeneration Programme will be met by Clarion. Financial modelling will be reported on before any CPO is made to ensure the viability and deliverability of the scheme in question.
- 6.7 The Council's Estates Local Plan demonstrates a compelling case that the acquisition of the land and associated rights to facilitate the Scheme will be in the public interest. The Estates are key development sites within the Borough and have the capacity to deliver significant economic, social and environmental benefits to local residents and the wider area more generally.
- 6.8 Specific justification for a CPO would be contained in the report relating to such CPO and the accompanying Statement of Reasons. Officers are of the view that such a compelling case can be demonstrated from the desirability of implementing the Merton Estate Regeneration Programme for the following reasons:
- Regeneration of three housing estates;

- The enabling effect of the Merton Estate Regeneration Programme in allowing the smaller Estates of Ravensbury and Eastfields to be regenerated as part of a comprehensive programme;
- Significant increase in the supply of dwellings in the borough;
- Replacement of poor quality, and in some cases defective housing stock with modern homes that meet high standards of accommodation in accordance with Policy;
- Economic and employment benefits;
- Strong planning policy support for the Merton Estate Regeneration Programme;
- The ability for the Council to ensure high quality redevelopments of the Estates through the planning process due to the Estates Local Plan;
- A strong Residents' Offer has been made that treats residents fairly and ensures communities within the Estates can remain consistent and cohesive after the regenerations;

7 LAND ASSEMBLY AND ACQUISITION TO DATE

- 7.1 The Merton regeneration project consists of three separate but linked regeneration areas supported by a single financial plan. The three estates were transferred from LB Merton as part of the 2010 stock transfer. Clarion already own over 70% of the homes in the three regeneration areas.
- 7.2 The terms of Clarion's regeneration offer to residents and homeowners offers replacement homes to resident leaseholders and freeholders at no cost to them. Clarion expect that the majority of the homeowners who qualify for a replacement home will accept this offer.
- 7.3 The offer to buy back homes from homeowners in the regeneration area has been operating since its launch in May 2015 and over 100 homes have already been acquired by agreement under the terms of the offer. The detail of home ownership on the three estates is set out below.
- 7.4 Clarion currently own 401 (66%) of the 608 homes on High Path. Clarion have bought 55 homes on High Path since 2015 terms for the purchase of a further 7 properties have been agreed and will complete soon.
- 7.5 Of the remaining 207 homes on High Path, 116 are owned by resident homeowners who will qualify for replacement homes on the new High Path as set out in Clarion's residents offer. The remaining 91 properties are owned by absentee landlords. Clarion propose to acquire properties by negotiation wherever possible, only those homes that cannot be acquired by agreement will ultimately be subject to compulsory purchase.
- 7.6 Clarion already own 333 (72%) of the 465 homes on Eastfields. Clarion have bought 42 homes on Eastfields from homeowners, terms for the purchase of a further 6 properties have been agreed and will complete soon.

- 7.7 Of the remaining 177 homes 132 are owned by resident homeowners who will qualify for replacement homes on the new High Path as set out in Clarion's residents offer. The remaining 45 properties are owned by absentee landlords. Clarion propose to acquire properties by negotiation wherever possible, only those homes that cannot be acquired by agreement will ultimately be subject to compulsory purchase.
- 7.8 Clarion currently own 91 (90%) of the 101 homes in the regeneration area on Ravensbury. 5 homes in the Ravensbury regeneration area have already been bought back by Clarion from homeowners.
- 7.9 Of the remaining 10 homes 9 are owned by resident homeowners who will qualify for replacement homes on the new Ravensbury as set out in Clarion's residents offer. The remaining property is owned by an absentee landlord. Clarion proposes to acquire properties by negotiation wherever possible, only those homes that cannot be acquired by agreement would ultimately be subject to compulsory purchase.
- 7.10 Although a large number of acquisitions have been completed or are in the process of being completed, it is clear that the acquisition by agreement of all the land required to facilitate the redevelopment proposals and delivery of the Estates Local Plan/Merton Estate Regeneration Programme may not be possible within a realistic timeframe.
- 7.11 The fragmentation of ownership arrangements in the Estates, particularly in relation to absentee landlords, means that attempts to acquire by agreement are likely to be complex and slow, with no ultimate guarantee of success.

8 DELIVERY, FUNDING AND THE DEVELOPER

- 8.1 Clarion Housing Group was formed in 2016, following the merger between Affinity Sutton and Circle Housing Group. Clarion manages over 125,000 homes and is one of the UK's largest housebuilder, set to build 50,000 high quality homes of all tenures during the next ten years.
- 8.2 The funding required that is directly related to the in principle use of CPO powers will be primarily limited to professional fees. Clarion will indemnify the Council, by way of a legal agreement for all costs and expenses that may be payable by the Council in preparing for and making any CPO's. A draft of this indemnification agreement is available as Appendix A to this report.
- 8.3 If any CPO's are made (which will be subject to a further Cabinet/Council decision), property will be acquired at open market value but will disregard any increase or decrease in value attributable to the Scheme for which the land is acquired. Affected parties may also be entitled to other compensation for loss payments and disturbance depending on circumstances. Clarion will be obliged to meet these costs.
- 8.4 As part of the preparatory works, there will be a full financial modelling of cost implications of acquiring the land following a successful CPO or CPO's.

9 INTERFERENCE WITH RIGHTS/NEW RIGHTS ACQUIRED/STOPPING UP OF HIGHWAY

- 9.1 The Scheme may interfere with rights of light relating to some properties surrounding the Scheme.

- 9.2 A rights of light survey and land referencing will be undertaken to identify affected parties and the scope of use for Section 203 of the Housing and Planning Act 2016 to authorise interference with these rights (on the basis of compensation payable for the depreciation in the value of the property as a result of the infringement).
- 9.3 Certain rights (such a right to swing the jib of a crane over a property), may need to be acquired or created or order to allow the construction of the scheme. Full details as to the nature and extent of rights needed to be acquired or created will be identified through the formal land referencing process.
- 9.4 Clarion is likely also to apply to the Council under Section 247 of the Town & Country Planning Act 1990 (as amended) in relation to the stopping up of various rights of way over the estate. Such applications will be considered as and when they are received in line with normal procedures.

10 **CPO LAND REFERENCING**

- 10.1 Any CPO would include all occupiers and all interests that are included within the three estates or those who have or are believed to have an interest affecting the land or otherwise are a qualifying person for the purposes of compensation (which could include adjoining landowners and occupiers). Appendix B to this report defines the extent of the three estates for the purpose of this report.
- 10.2 All such qualifying persons (including all affected owners and occupiers, including tenants) will be written to as part of the land referencing process that precedes the making of the CPO and all names and addresses will be included in the final CPO schedule. Should council resolve to approve the principle of CPO, it is intended to collate this information so that land referencing would commence after any positive resolution of full council.
- 10.3 The land referencing exercise will also identify any interests in land over which a right needs to be acquired (such as the swinging of a jib or crane) or any existing rights that will be affected by the development.

11 **ALTERNATIVE OPTIONS**

- 11.1 The alternative option is for the Council not to use its CPO powers and for Clarion to bring forward the Merton Estate Regeneration Programme independently.
- 11.2 However, it is evident that this piecemeal approach could not achieve the ambitious outputs in terms of new homes and job creation, or deliver the co-ordinated vision of creating the cohesive and distinctive neighbourhoods within Merton in reasonable timeframes.
- 11.3 It is considered that the only way to effectively deliver the Merton Estate Regeneration Programme and vision set out in the Estates Local Plan on reasonable timeframes is for the Council to exercise its powers to support land acquisition at the Estates, to enable Clarion, who will have sole responsibility for delivering the entire regeneration, to bring forward the development in a timely manner.
- 11.4 Negotiations to acquire land and property interests within the Estates have been pursued and will continue to be pursued after a resolution has been passed for in principle support of the use of compulsory purchase powers. It is anticipated that compulsory purchase

powers will be required in order to guarantee that each and every plot of land within the redline boundary is acquired by the Council, because it is unlikely that all land interests can be acquired by voluntary acquisition within a reasonable timescale.

12 TIMETABLE

12.1 The geographic extent of the CPO will be determined by Clarion's delivery plan. Further CPOs, if needed would be determined on the same basis.

12.2 An indicative timetable is as follows:

	Blocks in phase	Date vacant possession needed
High Path		
Phase 2	Marsh Ct, Lovell house, Pincott Road	Q2 2020
Phase 3a	Beckett Cl, Gilbert Cl, Hayward Cl, Stane Cl	Q2 2020
Phase 3b	Dowman Cl	Q3 2022
Phase 4	Norfolk Hse, Hillborough Ct, Deburgh Hse, Will Miles Ct	Q1 2025
Phase 5	Doel Cl, Mychell Hse, Vanguard Hse, Merton Pl, Tanner Hse, Hudson Ct, Ryder Hse	Q1 2026
Phase 6	May Ct, Eleanor Hse, Ramsey Hse, Ryder Hse	Q1 2028
Phase 7	Priory Cl	Q2 2030
Eastfields		
Phase 1 a/b	17-20 Mulholland Cl, 69-110 Clay Ave, 1-12 Thrupp Cl, 25-60 Pains Cl)	Q2 2019
Phase 2	(63-69 Clay Ave, 1-24 Pains Cl, 13-44 Potter Cl)	Q1 2022
Phase 3	1-62 Clay Ave, 32-66 Acacia Rd, 1-12 Potter Cl, 1-44 Moore Cl	Q2 2024
Phase 4	68-190 Acacia Rd, 21-68 Mulholland Cl	Q4 2026
Phase 5	13-44 Thrupp Cl, 1-16 Mulholland Cl, 111-128 Clay Ave	Q3 2029
Ravensbury		
Phase2	227-241 Morden Road, 1 Hatfeild Close, 1-14 Rutter Gardens, 36-54 Ravensbury Grove	Q1 2019
Phase 3	211-225 Morden Road, 2-21 Hatfeild Close, 20-34 Ravensbury Grove)	Q1 2021
Phase 4	171-209 Morden Road, 2-18 Ravensbury Grove	Q4 2022

13 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

13.1 The main body of this report considered the likely land and property implications, though indirectly to the council's own land and property interests. The draft CPO Indemnity Agreement attached to this report ensures that any costs borne by LBM associated with the CPO process will be paid for by Clarion. This report seeks the in principle use of the

Council's CPO powers. Full detailed business, financial and legal cases will be brought forward by Clarion for LBM's approval in future.

- 14.2 As set out in Recommendation G, a financial allocation may be required for the council's Capital Programme from 2018-19 onwards to frontload the delivery of the Compulsory Purchase Order. Any financial allocation would be considered by the council's financial approval process nearer the time under the council's Constitution and would be fully indemnified and repaid to the council as set out in Recommendation F. A draft CPO Indemnity Agreement is attached to this report as Appendix A

14 **LEGAL AND STATUTORY IMPLICATIONS**

- 14.1 Under section 226 (1) (a) of the Town and Country Planning Act 1990 a local authority has a general power to make a compulsory purchase order for the acquisition of any land in their area in order to facilitate the carrying out of development, redevelopment or improvement in relation to the land if they are not certain that the land can be acquired by agreement.
- 14.2 Compulsory Purchase Orders must only be made if the Council is satisfied that there is a compelling case in the public interest to do so
- 14.3 In order to exercise its section 226 powers, the local authority must demonstrate that the proposed development/improvement is likely to contribute towards any of the following objects, namely the promotion or improvement of the economic or social or environmental well-being of their area.
- 14.4 Compensation is payable under the Compulsory Purchase Act 1965 the Land Compensation Act 1961, the Land Compensation Act 1973 (as amended), and any relevant legislation under which compensation may be payable as a consequence of compulsory acquisition the responsibility for paying this compensation lies with Clarion under the CPO Indemnity Agreement.

15 **HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 15.1 The Human Rights Act 1998 places direct obligations on public bodies such as the Council to demonstrate that the use of compulsory purchase powers is in the public interest and that the use of such powers is proportionate to the ends being pursued.
- 15.2 When the Council decides to make a CPO, the Council will need to be sure that the purpose for which the land is required sufficiently justifies (or can be sufficiently justified in due course) interfering with the human rights of those with an interest in the land affected. It is acknowledged that the compulsory acquisition of the land in the Estates will amount to an interference with the human rights of those with an interest in the land. These include rights under Article 1 of the First Protocol of the European Convention on Human Rights (**ECHR**) (which provides that every natural or legal person is entitled to peaceful enjoyment of his possessions) and Article 8 of the ECHR (which provides that everyone has the right to respect for his private and family life, his home and his correspondence).
- 15.3 When preparing the CPO, officers will keep in mind and in due course advise the Cabinet about the need to balance the public interest and the individual's rights and that any interference with these rights will 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. As part of the investigations that will be undertaken ahead of making any CPO will be an investigation into the effect on landowners and leaseholders of the CPO, and this will be fully taken into account before a final decision is made as to whether or not to put forward a resolution for the making of a CPO.

15.4 The Public Sector Equality Duty (the **Duty**) is a responsibility laid on the Council by the Equality Act 2010 (the **Equality Act**). It consists of a general equality duty and specific duties, which help authorities to meet the general duty. In summary, those subject to the Duty, must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act.
- Advance equality of opportunity between people who share a characteristic and those who don't.
- Foster good relations between people who share a characteristic and those who do not.

15.5 The Duty covers age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation (these are the 'protected characteristics').

15.6 The Equality Act sets out that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

15.7 The Equality Act states that meeting different needs involves taking steps to take account of the impact of different experiences (for example, addressing different forms of disability). It describes fostering good relations as tackling prejudice and promoting understanding between people from different groups. It states that compliance with the Duty may involve treating some people more favourably than others.

15.8 The Equality Act requires the Council to have a 'continuing and ongoing regard' for this Duty. It can show this regard in a range of ways as the Equality Act is not prescriptive on this matter, but the most common is to conduct Equalities Impact Assessment (**EqIA**) at key decision points.

15.9 In preparing the Estates Local Plan, officers carried out an EqIA (contained within the Sustainability Appraisal).

15.10 As part of the CPO preparation work an EQIA will be undertaken on the potential impact and mitigation strategy of the proposal.

- 15.11 To date Clarion have undertaken EQIA assessments at the point at which the decision to prepare masterplans was taken and when the residents offer was published to ensure that the impact on groups with protected characteristics were understood and mitigation measures are in place as far as is possible.
- 15.12 In relation to the Estates Local Plan EqIA, it showed that regeneration will result in major positive impacts for the issues of housing, access to activities and social deprivation. Minor positive impacts are achieved for diversity and equality and education and skills.
- 15.13 Regeneration is likely to have a positive effect on socio-economic inequalities, including offering opportunities for increase in training and new skills in the construction of the development and the provision of more energy efficient homes that require less maintenance.
- 15.14 *A key expectation of the delivery of the regeneration is the commitment to keep existing community together in each neighbourhood and for existing residents to have a guaranteed right to return to a new home in a regenerated neighbourhood without being financially disadvantaged. The level of impact is uncertain at this stage with regard to wellbeing: residents will have more efficient, warmer, better maintained homes once redevelopment has taken place.*
- 15.15 *There will be disruption to residents as a result of the redevelopment. The phasing and decanting will need to be carefully considered and regularly monitored to minimize adverse impacts upon residents Clarion will have in place a package of support for residents especially elderly and or other vulnerable tenants and homeowners who are moving.*

16 **CRIME AND DISORDER IMPLICATIONS**

- 16.1 The process of preparing for a CPO will not itself have Crime and Disorder implications.
- 16.2 Development of the Merton Estate Regeneration Programme will be secured by the outline planning permissions which will be determined and assessed against the Estates Local Plan. The sustainability appraisal of the Estates Local Plan considers each of the policies against social, environmental and economic objectives, including those relating to crime and disorder.
- 16.3 The Estates Local Plan does not require a specific planning policy relating to Crime and Disorder but instead incorporates a number of policies which enhance safety and perceptions of safety in the public realm and in residential areas.
- 16.4 Collectively these policies support an approach of 'secure by design', creating places where people feel and are safe at all times of day and night, whether on foot, cycle or car, and both inside their homes and in public space.
- 16.5 The design principles include:
- Blocks arranged so the fronts face outwards protecting residents' privacy, creating a more 'legible' layout where people do not get lost or find it so easy to hide, building in natural surveillance and security;

- Active frontages on the street which also enhance surveillance and create more activity at street level;
- Well-designed public or communal amenity space: will be well lit, while providing both privacy and surveillance, as well as providing easy and convenient access for all potential users;
- Defensible space between the back of the footway and building frontage will support better perimeter blocks and frontages;
- Legible and accessible layouts with convenient and accessible layouts encourage walking and cycling and hence more active streets where community cohesion flourishes.

16.6 These principles are reflected in the estate-specific policies contained within the Estates Local Plan and will support an improved quality of life for current and future residents. The Police and other key stakeholders are consulted on the outline planning applications to ensure that crime and disorder issues are fully considered in the design and planning process.

17 **RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

Risks are listed below with a red/amber/green rating based on an assessment of their likelihood and impact, together with the anticipated mitigation. They are categorised as risks related to developing the plan and emerging housing policy, those related to renegotiation of agreements, and those relating to the delivery of the regeneration programme itself.

Risk	R/A/G Rating	Mitigation
<p>On serving a CPO, the Public Inquiry may be unsuccessful and the CPO not confirmed. In this scenario it is likely the Council would have to pay the costs of successful objectors. This would be an extremely serious outcome but with low-moderate likelihood. Serious because without a CPO Clarion cannot deliver the key transport and service infrastructure, nor deliver the full developments or retain overarching control of phasing.</p>		<p>The Council can mitigate the risk of an unsuccessful outcome by proceeding as far as possible with acquiring land ahead of serving a CPO and undertaking as much preparatory work as possible (valuation, due diligence, legal preparation etc.) and not making the CPO until confident that it will be successful.</p>

<p>Risk of liability for costs of preparing and making CPO's as well as paying compensation. These costs are likely to be significant</p>		<p>Financial risk to the Council is mitigated by entering the Indemnity Agreement with Clarion (draft attached as appendix to this report</p>
<p>Communications risk in relation to residents within the Estates who oppose a CPO</p>		<p>Continue communicating intention with local stakeholders and residents from and engage in ongoing consultation to take all concerns into account.</p>

18 **APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

Appendix A Draft CPO Indemnification Agreement between London Borough of Merton and Clarion Housing Group

Appendix B – maps of Eastfields, High Path and Ravensbury indicating the extent of each estate where the principle of compulsory purchase would be accepted..