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| Committee: | Dated: |
| Community and Children's Services | 23 January 2023 |
| Subject: Middlesex Street Estate – Areas of Car Park and Seven Shop Units. | Public |
| Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly? | 4, 12 |
| Does this proposal require extra revenue and/or capital spending? | N |
| If so, how much? | N/A |
| What is the source of Funding? | N/A |
| Has this Funding Source been agreed with the Chamberlain's Department? | Y |
| Joint Report of: Clare Chamberlain, Interim Executive Director Community & Children's Services Paul Wilkinson, City Surveyor | For Decision |
| Report author: Paul Murtagh Assistant Director Housing & Barbican | |

Summary

The purpose of this report is:

To consider whether areas in the car parks and the seven Gravel Lane shop units proposed for non-housing use at the Middlesex Street Estate (together called the "**MSCP**" broadly shown edged red on the Plans annexed to this report), are no longer required for housing purposes, and may be appropriated for other use.

The report includes information from further estate-wide consultation with residents and commercial tenants on the issue and advises that the areas are not required for housing purposes for the next 20 years, in lieu of a capital sum for housing purposes.

Recommendations

1. Note the outcome of further estate-wide consultation with residents and commercial tenants on the Middlesex Street Estate.
2. Agree that:
 - 2.1 The seven **shop units** (shown within the MSCP on the plans annexed to this report at Appendix 1) proposed for non-housing use at the Middlesex Street Estate are not required for housing purposes for a period of 20 years from the date of resolution.
 - 2.2 The areas of **car park** (shown within the MSCP on the plans annexed to this report at Appendix 1) proposed for non-housing use at the Middlesex Street

Estate, are not required for housing purposes for a period of 20 years from the date the Relocation and Consolidation Works are completed.

- 2.3 At the end of the 20-year period, unless further appropriations are agreed by the City of London Corporation (City Corporation), in its capacity as housing authority, the MSCP areas described at 2.1 and 2.2 will revert to their normal use for housing purposes
3. Instruct the Comptroller and City Solicitor to prepare a Memorandum of Appropriation in accordance with Recommendation 2, to be placed on the Middlesex Street Estate Deed Packet as soon as any appropriation has taken effect.

Main Report

Background

Middlesex Street Estate

1. The Middlesex Street Estate land was acquired between 1879 and 1964 for social housing, under Improvement Orders and a Compulsory Purchase Order¹ made under the Housing Act 1957. As such, the land is held for housing purposes by the City Corporation in its capacity as a housing authority.
2. Where land is held for housing purposes by a housing authority, the land may only be used for providing buildings or land for housing purposes, certain ancillary purposes, shops, recreation grounds and, with the Secretary of State's prior consent, other purposes beneficial to the housing occupiers of the land².
3. Where land, which has been acquired for one purpose, is not required for that purpose, it may be appropriated (permanently or temporarily) for any other purpose for which the City Corporation is authorised to acquire land.³

Eastern Hub

4. The City Corporation (in its capacity as police authority/promoter of the proposals) is exploring the potential to redevelop parts of the Middlesex Street Estate's basement, ground-floor, and first-floor car parks and, seven retail units along Gravel Lane (together referred to in this report as the "**MSCP**"), to provide an operational base for the City of London Police (CoLP) in the East of the City of London. This is to be complimentary to the new police premises at Salisbury Square both, to ensure capacity for the CoLP functions and to ensure a continued police presence in the eastern part of the City. There has been liaison with the City Corporation in its capacity as housing authority, as to whether this land is required for housing purposes, and if not, whether it could be appropriated to police purposes. Any appropriation to police purposes is subsequently a matter for the Capital Buildings Board.

¹ City of London (Middlesex Street Estate) CPO 1964

² S.12 Housing Act 1985

³ S.12(1) City of London (Various Powers) Act 1949

Context for consideration of police use of the MSCP

5. Whether or not the **MSCP** is required for housing purposes, in the light of the current extent and nature of its use, is the prior and prime question for the Community and Children's Services Committee, which is evaluated at **Paragraphs 6, 7 8 and 25 to 30**.
6. In the long term, there is the potential for the estate-wide redevelopment of the Middlesex Street Estate, for example, should the dwellings on the estate reach the end of their life and require replacement with new dwellings. At that stage, it is likely that all the land currently held for housing purposes, would be required to facilitate redevelopment for housing purposes (and potentially to allow for additional dwellings, given current and foreseeable demand for affordable housing). However, no such measures are envisaged or considered feasible in the medium term, noting the significant disruption that would be caused and the extensive lead in time that would be required to develop, fund, and implement any such proposals
7. In the short and medium term, parts of the estate car park are either unused or underused, resulting in maintenance costs to the HRA (and ultimately to tenants) from which no benefit is being derived for estate residents. The seven shop units are not considered to serve a housing purpose. The evaluation as to whether these areas are required for housing purposes is set out below.
8. Access to the area proposed for police use would be through the ground floor service yard. This would be shared between residents, commercial tenants, and the police, if agreed by the Community and Children's Services Committee. The arrangements for sharing access would also need to be agreed by the Community and Children's Services Committee.

Meeting of the Community & Children's Services Committee – 15/11/22

9. At its meeting on 15 November 2022, the Community and Children's Services Committee considered a joint report from the Interim Executive Director of Community and Children's Services and the City Surveyor, as to whether areas in the car parks and the six Gravel Lane shop units, proposed for non-housing use at the Middlesex Street Estate are no longer required for housing purposes and may be appropriated for other use.
10. The Committee resolved that the decision as to whether the areas identified are no longer required for housing purposes and may be appropriated for other use, would be deferred to give officers time to carry out further consultation with residents and commercial tenants and, to respond to questions and concerns raised by residents and members.

Further work and consultation

11. As directed by this Committee at its meeting on 15 November 2022, further work and consultation with residents and commercial tenants has taken place, as set out in this report.

Site walk-about

12. Residents, members and commercial tenants on the Middlesex Street Estate were invited to two site 'walk-about' that were held on 24 November at 8am and 10am

respectively. The two meetings were attended by around 20 residents and commercial tenants in total, along with members, officers from the City Surveyors, Community and Children's Services and, representatives from our design team. The purpose of the site 'walk-about' was to show residents, members, and commercial tenants those areas on the estate that are potentially no longer required for housing purposes and, to answer questions on the proposal for use by the City of London Police (CoLP).

13. Several challenges and questions were raised at the two walk-about' exercises and, these are captured at Appendix 2 to this report, along with our responses.

Door knocking exercise

14. On 15 December, a door-knocking' exercise was undertaken with residents across the whole of the Middlesex Street Estate. The exercise was arranged by Comm Comm, our communications consultant and the door knocking was carried out by Comm Comm staff and staff from DCCS.
15. During the door-knocking exercise, 226 homes were visited (87 in Petticoat Tower and 139 in Petticoat Square). Around 30% of residents were at home when we visited and, 45 Feedback Forms were completed by residents, with a further 45 responses received via the online version of the Feedback Form. A further five responses were received by freepost envelope. A summary report on the door knocking exercise is included at Appendix 3 to this report.

Response to the email from the Chair of the Middlesex Street Estate Leaseholders Association

16. At the meeting of this Committee on 15 November 2022, the Assistant Director read out responses to a series of questions raised by the Chair of the Middlesex Street Estate Leaseholders Association, as set out in his email to Members prior to the Committee meeting.
17. Although the responses to the questions raised by the Chair of the Middlesex Street Estate Leaseholders Association were included in the agreed minutes of the meeting on 15 November, these have now been updated and are included at Appendix 4 to this report.

Resident suggestions for alternative use of the space

18. At Appendix 5 to this report, we have set out a list of alternative uses for the potentially surplus space in the Middlesex Street Estate car parks, as identified by residents either, as part of the Section 105 Consultation process or, through further consultation (including the door-knocking exercise) emails and other related correspondence. Officers have set out their responses to, and views on the various suggestions for the alternative uses.

Issues raised by Portsoken members on behalf of residents and commercial tenants

19. Portsoken members have been contacted by residents and commercial tenants directly to raise concerns about the proposal to declare the identified space surplus and, the implications of the proposal for use by the CoLP. These concerns have been addressed and responded to as set out in Appendix 6 to this report.

Commercial tenants

20. A joint report from the Interim Executive Director of Community and Children's Services and the City Surveyor, setting out proposals for engagement with, and support for commercial tenants on the Middlesex Street Estate affected by the CoLP proposal, was agreed previously under Urgency by the Town Clerk, in conjunction with the Chair and Deputy Chair of the Community and Children's Services Committee. The report was included in the agenda for the meeting of this Committee on 15 November for members consideration and information.
21. In accordance with the provisions and approvals in the above report, senior officers in City Surveyors and, our appointed specialist consultant, Avison Young, have been engaging and negotiating with the five commercial tenants potentially impacted by the proposed use of the surplus space by the CoLP. A report entitled "Update on Engagement and Support for Commercial Tenants" that was considered by the Capital Buildings Board at its meeting on 18 January, is included at Appendix 7 (Non-Public) to this report.

Addressing residents' concerns

22. From the various consultation exercises undertaken with residents and commercial tenants on the Middlesex Street Estate including, the statutory S105 Consultation, resident meetings, site-walkabouts and the door-knocking exercise, several key concerns and recurring themes were raised. These are set out below, along with the responses we have given and, where appropriate, the action we have taken.

Loss of car parking space

We have confirmed that all residents who currently have a car parking space, will continue to have one. There will be no reduction in the number of parking spaces, garage, and storage spaces available for residents and visitors.

It should also be noted that most resident's car parking spaces are currently located at basement level. As such, this will not be impacted if the CoLP proposal does proceed.

Provision of cycle spaces and cycle storage

We have confirmed that there will be no reduction in available cycle and cycle storage space. If the CoLP proposal proceeds, additional cycle space and, dedicated secure cycle storage, along with cycle lifts will be provided.

There has been concern from residents with the location of all cycle storage space being in the basement. Whilst we cannot provide all the required cycle storage on the ground-floor, it has subsequently been agreed that the vacant space on the ground-floor, previously allocated to the Devonshire Club, will be developed for cycle storage as part of the CoLP proposal. This will at least, provide around 24 to 26 cycle spaces for younger and more vulnerable residents who, may be concerned about going into the basement.

In addition, as the proposal proceeds, we will look to see if there is any further usable space at ground-floor level that could be developed to provide further cycle storage.

Provision of disabled car parking and access to the car parks

We have advised residents that whatever the future use of the potential surplus space, we are committed to developing an appropriate parking strategy to ensure the practical needs of vulnerable residents, as well as businesses, visitors and service vehicles are met.

Changing access routes or, restricting access to lifts, stairs, and car parks

We have reassured residents that if, areas identified in the car parks and ground-floor service yard proposed for non-housing use at the Middlesex Street Estate are declared surplus for current housing purposes, the remaining space will be suitable and sufficient to maintain access routes for residents to lifts, staircases, and car parks without adverse impact on equalities.

The original design drawings for the CoLP's proposal to use surplus space in the car parks for its Eastern Base, showed a reduction in the number of staircases that residents can access from four to two. Residents were extremely concerned with this and consequently, the design has been reviewed to provide residents with access to three staircases.

Car park security

Residents expressed concerns with the level of security in the car parks, particularly at basement level where, in recent times, there had been problems with rough sleeping, bicycle theft, drug use and intruders. Residents have been advised that if the CoLP proposal does proceed, provision will be made for an enhanced CCTV installation and other related security measures.

Management and control of the car parks

Residents have raised serious concerns with the management and control of the car parks especially, in relation to the CoLP proposal and the impact that this will have on the ground floor in particular.

Officers agree entirely that the space in the car parks will need to be managed very carefully if the proposal for the incorporation of the new Eastern Base into the Middlesex Street Estate is to be successful. To achieve this, we will be looking to develop a robust Management Plan for the car parks that, if the CoLP proposal does proceed, will be brought back to this Committee for approval. This will include matters such as:

- traffic management
- pedestrian management
- access control
- security provisions and management
- visitor protocols
- proposals around strategy, resources
- managing refuse collection, bins, storage facilities etc
- other day-to-day operational matters
- resources including the introduction of a Car Park Attendant/Officer.

Benefits to residents

23. If the CoLP proposal does proceed, there will be significant tangible benefits to the residents of the Middlesex Street Estate including:

- access to some of the £3.45million income to the HRA to help fund specific projects across the Middlesex Street Estate.
- funding and provision for essential remedial works to the podium including, the replacement of the defective waterproof membrane, noise-reducing measures and improved paving and line marking.
- introduction of gym equipment to the podium.
- enhanced security measures including:
 - the access shutters to the ground floor car park,
 - barrier and gate to the basement car park,
 - improved CCTV installation,
 - improved lighting to pedestrian areas especially, in the basement areas,
 - introduction of controlled management of the ground floor car park area and the wider estate (robust Management Plan),
- additional cycle parking (cycle lockers, secure cages with racks and stands, cycle lift etc),
- improvements to the public realm and enhance the streetscape in the area.

24. Many of the above benefits have been a direct result of the consultation that we have undertaken with residents to understand how we can work together to provide improvements to the Estate that will enhance the health and wellbeing of its residents. The original design criteria for the CoLP proposal has been amended to reflect the aspirations of residents at an additional approximate cost of £1.3m.

Evaluation of whether the MSCP is Surplus to Housing Purposes

25. Having considered all relevant matters, analysed the views and further feedback from residents, commercial tenants, and other stakeholders, and taken into account all such views and feedback, officers are satisfied that the areas in the car parks, ground floor service yard and the seven Gravel Lane shop units proposed for non-housing use at the Middlesex Street Estate are no longer required for housing purposes, for the reasons set out below:

Car Park Areas.

26. There are significant areas of car park space in the Middlesex Street Estate that are currently either unused or underused. If it is agreed that the areas in the car parks, ground floor service yard and the seven Gravel Lane shop units proposed for non-housing use at the Middlesex Street Estate are no longer required for housing purposes, there will be no reduction in the overall space currently occupied by car parking spaces (including disabled spaces), cycle storage, and other storage. Residents who currently have a car parking space, will continue to have one.

27. The areas which would still be available for car parking, cycle storage, other storage and potentially EV charging points, are considered sufficient to meet all anticipated future needs during the 20-year appropriation period. All relocated spaces will be moved to equally accessible areas of the car park.

Seven Retail Units

28. The shops were originally provided under housing authority powers to provide services of benefit to tenants with a view to providing community facilities and ensuring a range of services were available for estate residents. This was historically achieved by restricting and controlling goods sold from each unit, but this led to disputes about lease terms and significant management resources. It was acknowledged that this approach had fallen out of step with competition law and that enforcement could be problematic, Your Committee therefore adopted a revised approach in 2017 and, ceased imposing user restrictions aimed at providing a range of essential services for tenants. In addition, it is noted that on-line purchasing habits have increased and that a range of services are generally available in convenient locations in the neighbourhood. As a result, the link between the use of the units and the needs of estate residents has eroded such that the units are no longer considered to relate to housing purposes. The units are currently used as follows:

| Unit | Business Type | Service Users |
|----------------|---|--|
| 8 Gravel Lane | Sale of Mobile phone accessories | Mix of retail and wholesale. Business said to be affected by local parking restrictions. |
| 10 Gravel Lane | Sale of Fancy Goods including vaping supplies | Mainly wholesale. Business said to be affected by congestion charge. |
| 12 Gravel Lane | Vacant | None. |
| 14 Gravel Lane | Brass band musical instrument sales | Professional musicians and music students. |
| 16 Gravel Lane | Printing services | Retail. |
| 18 Gravel Lane | Hairdresser | A significant proportion of users were stated to be office workers and post covid WFH has reduced customer base. |
| 20 Gravel Lane | Gym | |

29. Due to the nature of the businesses and service user base, and the availability of on-line services and local services for residents conveniently located elsewhere in the neighbourhood, it is not considered that the above units are required for housing or ancillary purposes. It is also not considered that estate residents, including residents with protected characteristics, would be adversely affected were the businesses to be relocated further away. No adverse impacts for residents have been identified by residents through the consultation process.

30. If the retail units are agreed to be surplus to housing use, future arrangements regarding the units will no longer be a matter for the Community and Children's Services Committee but, following an appropriation to police use, will be a matter for the Capital Buildings Board. However, it is likely that retail units at the Middlesex Street Estate which are currently vacant, will be considered for use to accommodate any of the tenants seeking relocation in the vicinity.

31. In the initial report submitted to this Committee at its meeting on 15 November 2022, there were only six retail units that members were asked to agree to being

surplus to housing use. The shop unit at 20 Gravel Lane has subsequently been added to the original six units outlined in the initial report. Although this unit is currently occupied, it is one of the least desirable retail units on the Estate and, historically, has proven very difficult to let. Including this unit in the surplus declaration will, if the CoLP proposal does proceed, allow us to give back space to the residents for access to the third lift, provide community space on the first floor and, allow for a liaison office for the CoLP on the ground floor which, can be shared with the Estates Team (subject to available funding).

Corporation's Proposal Relating to the CoLP

32. Subject to the Community and Children's Services Committee's agreement that the **MSCP** is no longer required for housing purposes, it is proposed that the **MSCP** be appropriated to police purposes by Capital Buildings Board to enable the proposed provision of the Eastern Hub element of the police accommodation project. Not only would this meet an accommodation need in the vicinity for a key emergency service, but it would also ensure the efficient use of General Fund land, avoiding underuse and maximising public benefit. The Capital Buildings Board, through its delegated officers, will be responsible for public consultation regarding the police proposals and the related planning application. It is anticipated this will take place later this year/early next year and will be the subject of separate reports to the Capital Buildings Board.
33. In terms of taking the Eastern Hub proposal forward, no dates have yet been set; however, it is intended that there will be two public events to support the wider planning consultation process. It is expected that these two public events and the wider planning consultation process will further address and expand on many of the matters raised by residents and commercial tenants about the proposals. This consultation will not be carried out by the Department of Community and Children's Services, but by the City Corporation as promoter of the alternative proposals under the remit of the Capital Buildings Board. There will be opportunity for liaison and input between the promoter and estate residents as well as the Department of Community and Children's Services.

Financial Implications

34. Income:

The appropriation of the **MSCP** will result in all expenditure and income attributable to those areas being accounted for in the General Fund and not the HRA.

35. Capital:

Whilst there is no strict legal or accounting requirement for any capital allocation to be made in respect of an appropriation from one General Fund purpose to another, it has been agreed that a capital sum of £3.45m will be ring-fenced for housing use, in respect of the appropriation of the **MSCP**.

Legal Implications

36. The City Corporation has the power to appropriate land (either permanently or temporarily) from the purpose for which it was acquired, to another statutory purpose, subject to it being no longer required for that purpose for which it was acquired⁴.

⁴ Section 12 City of London (Various Powers) Act 1949

37. Where land is appropriated temporarily, at the end of the appropriation period it will revert to its former statutory use – in this case for housing purposes (unless a further appropriation is resolved by the housing authority).
38. Appropriations, including all their terms and the basis on which appropriations have taken place, are recorded in a Memorandum of Appropriation which is placed on the Deed Packet.
39. All other legal implications are contained in the body of this report and its footnotes.

Equalities Implications

40. At this stage, there are no equalities implications arising out of this report. Whatever the future use of the potential surplus space, the City Corporation must ensure it continues to meet its legal obligations in relation to the provision of disabled parking bays and access to car parks.
41. For any future use of the potential surplus space, an Equalities Impact Assessment will be carried out to ensure that City Corporation continues to meet its statutory obligations.
42. If the areas identified in the car parks and ground-floor service yard proposed for non-housing use at the Middlesex Street Estate are indeed declared surplus for current housing purposes, the remaining space will be considered suitable and sufficient to maintain access routes for residents to lifts, staircases, and car parks without adverse impact on equalities.

Appendices:

- Appendix 1: Plans
- Appendix 2: Matters Raised at Walk-About on 24 November 2022
- Appendix 3: Door-knocking Exercise – Summary Report
- Appendix 4: Responses to questions raised by Chair Middlesex Street Estate Leaseholders Association
- Appendix 5: Alternative Use of Space
- Appendix 6: Response to Portsoken Members
- Appendix 7: Report – Update on Engagement and Support for Commercial Tenants
(Non-Public)

Background Papers:

1. Community & Children's Services Committee (15 November 2022) – Joint report (including appendices) of the Interim Executive Director of Community and Children's Services and the City Surveyor entitled "Middlesex Street Estate – Areas of Car Park and Six Shop Units".
2. Community & Children's Services Committee (15 November 2022) – Joint report (including appendices) of the Interim Executive Director of Community and Children's Services and the City Surveyor entitled "Middlesex Street Estate – Allocation of Funds for Housing Purposes". (Non-Public).

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