

WANDSWORTH BOROUGH COUNCIL

HOUSING COMMITTEE – 14TH SEPTEMBER 2022

EXECUTIVE – 26TH SEPTEMBER 2022

Report by the Director of Housing and Regeneration on the Alton Regeneration
(Roehampton)

SUMMARY

This report recommends the termination of the procurement to select a development partner of deliver the Alton Masterplan and sets out the implications of that decision. It confirms the commitment to maintain investment in the Alton estate and recommends alternative options are investigated.

The Director of Resources comments are set out in paragraphs 35-37.

GLOSSARY

CPO	Compulsory Purchase Order
HROSC	Housing and Regeneration Overview and Scrutiny Committee
HRA	Housing Revenue Account
LPA	Local Planning Authority
PAC	Planning Applications Committee
PCR	Public Contract Regulations 2015

RECOMMENDATIONS

1. The Housing Committee are recommended to support the recommendations in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive or the appropriate regulatory and other committees for their consideration.
2. The Executive is recommended to:
 - (a) Terminate the current procurement process to find a joint venture partner for the Alton Estate regeneration; and
 - (b) Agree that both the objectives and options for improvements to the Alton estate are reviewed; and
 - (c) Note, as a consequence of recommendations (a) & (b), the Residents' Offers and Alton Local Lettings Plan will be withdrawn with effect 27th September 2022; and

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- (d) Authorise officers to explore options to bring forward Block A as a stand-alone scheme at the earliest opportunity, and
- (e) Note that proposals for meanwhile uses are being developed and will be presented to the Housing Committee at its next meeting.

INTRODUCTION BY THE CABINET MEMBER FOR HOUSING

- 3. The Labour Group has long held reservations about the nature and scale of the proposed regeneration of the Alton Estate, not least about the proportion of Council housing when compared to private housing. A net gain of 48 social housing units on a 15-year project equates to 4.3% (48/1108) proportionately to the time, cost, energy, displacement and financial risk that regeneration can bring. For the new administration this is simply not enough.
- 4. We also believe more should be done to ensure the proposed community buildings meet current and future demands of the area, particularly in terms of services to young people. We also believe more should be done to try and improve access to public transport on what it a relatively isolated area.
- 5. In light of the above, we feel that this is an appropriate point in time to review other options to improve the estate and the lives of the people that live there.
- 6. We retain a commitment to invest in and improve the estate, but we will review the proposed outcomes for this investment and explore what options there are to achieve these. A consequence of this revised approach will be to bring the current procurement exercise to find a partner to deliver the current masterplan to an end. As a first step in our commitment, we will ask officers to explore options to bring forward Block A as an early phase to deliver new community facilities and new Council homes, and to bring forward a meanwhile use strategy
- 7. We will therefore be calling on the expertise of both external experts and officers to identify options. We have no predetermined views about the way forward and nothing, at this stage, is ruled in or ruled out. Once options have been developed, they will be brought to the Committee for further review and scrutiny.

BACKGROUND

- 8. In February 2021 Paper No. 21-45 agreed revised objectives for the proposed Alton Estate regeneration, approved the procurement process to appoint a joint venture partner and agreed that procurement would commence once Greater London Authority (GLA) Stage 2 approval to the Council's planning application for the estate was received.
- 9. The consented scheme is a mixed-use regeneration that proposes the following:
 - Around 1,100 residential units including 261 affordable homes
 - A new community hub containing a new replacement library, new community hall, enhanced youth facilities and bespoke replacement accommodation for two GP surgeries (known as Block A).
 - A purpose-built and co-located replacement children's centre and nursery at Portswood Place.
 - Improved retail space

- Affordable office space to support small and start-up businesses
 - Improvements to play space including refurbishment of play space at the Alton Activity Centre and Downshire Field playgrounds.
10. There are two satellite sites that were identified to support rehousing tenants and leaseholders. McKinney House in Bessborough Road was completed in September 2021 and provides 10 council homes. A development at Fontley Way has commenced and is due to complete in 2024 and will deliver a further 14 council homes.

CURRENT POSITION

11. The planning application was approved by the Planning Applications Committee on 22nd October 2020. The scheme was referred to the GLA for its formal consideration in December 2021 and in late January 2022 the Mayor of London confirmed he was content for the Council, as Local Planning Authority, to grant permission for the scheme. The LPA issued the planning permission in late March 2022.
12. Procurement commenced in March 2022. The first phase (which is to find a suitable shortlist of three bidders to take through to the next stage) had approached completion. Bidders were asked to submit details of case studies and financial standing. These bids were then evaluated by officers with support from its external advisers and the Council's Procurement Team. Five bids were received and, following shortlisting, officers were in a position to take forward a shortlist of three bidders.
13. The new administration requested that procurement be paused, and bidders were advised on this in May 2022.
14. In light of the new administration's desire to review options, officers recommend that the current procurement process is terminated. In the absence of a decision to proceed, it is likely that bidders would withdraw from the process over time which has the potential to cause reputational damage to the Council.
15. The administration has asked officers to identify and assess alternative options and, subject to this report being agreed, external consultancy support will be secured to support this work.

NEXT STEPS

16. The administration has expressed a desire to ensure some change occurs and a number of areas have been highlighted.

Block A

17. The building known as Block A will sit on the corner of Danebury Avenue and Roehampton Lane, one of the key gateway sites to the estate. The site is shown on the attached plan at Appendix 1. Block A is designed to provide a replacement library, new youth facilities, a community hall, two replacement GP's surgeries and 40 council homes.
18. Officers will explore whether it is possible to deliver this block as a stand-alone development, which will require a number of financial, logistical and planning challenges to be overcome. This exploratory work will not commit the Council at this

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stage but would enable it to have a “head start” in the event that there was a decision to proceed with Block A as part of any revised proposals.

Engagement Strategy

19. Following the publication of the Alton Estate Regeneration Community Engagement Strategy in November 2020 a comprehensive programme of community engagement projects, initiatives and activities has been developed with local residents and stakeholders. Over 150 surveys have been completed indicating ongoing and enthusiastic support for continued engagement and more projects and activities across the estate.
20. To both complement and expand the Engagement Strategy officers have been developing ideas for meanwhile uses¹. More detail on this will be brought to the next committee for approval as part of the annual Community Engagement progress and update report.

Minstead Gardens

21. Proposals to extend the sheltered housing bungalows at Minstead Gardens were developed as part of the original arrangement with Redrow but, as listed building consent is also required, sat outside the “red line” of the masterplan’s planning permission.
22. It is proposed that these bungalows be included within the scope when assessing alternative options.

Communication and engagement

23. A letter with an update on the proposed decisions in this report was sent to affected residents in the Intervention Area prior to this report being published with comments invited. The Council periodically publishes an Alton Newsletter which is circulated to 4,500 households both on the estate and wider Roehampton area. The next newsletter will contain an update on this Committee’s and Executive’s decisions and will be issued in October.

Offer to tenants and leaseholders and freeholders

24. The Council’s Residents’ Offer was first published in 2014 and outlines its offer to secure tenants and resident and non-resident owners who own or occupy blocks that are identified for demolition.
25. In summary, the Tenants’ Offer² extends to those secure tenants whose blocks were identified for demolition as part of the masterplan proposals. The headlines of the offer are that secure tenants will be offered a new home that meets their identified housing with a new Council home delivered as part of the regeneration. Secure

¹ Meanwhile use entails the temporary use of land or buildings, often in regeneration areas, to provide retail, business or arts space or generally any use which activates the land or building. The use is temporary (and hence meanwhile) pending a permanent use or redevelopment.

² Alton Regeneration – Council Tenant rehousing information booklet (October 2021)

tenants are given Band A priority if they for early moves, and this is contained within the Local Lettings Plan for the Regeneration of the Alton Estate which was most recently approved in February 2021 (Paper No. 21-45).

26. The offer to resident and non-resident owners³ confirms the Council will acquire the property of any residents and owners whose home is identified for demolition as part of the masterplan proposals. As the purchase is being undertaken under the “shadow” of potential use of compulsory purchase order (CPO) powers, residents/owners obtain the same terms as if the Council had used CPO powers. In simple terms, this provides for a premium to be paid above market value and for all costs associated with the move (known as disturbance costs) be met by the Council.
27. The decision to suspend the masterplan procurement and explore other options removes any immediate prospect of demolition. As the Residents’ Offer is predicated on the prospect of demolition, it will need to be withdrawn. In the absence of the Tenants’ Offer the Local Lettings Plan can no longer apply.

EQUALITIES IMPACT ASSESSMENT

28. The Equality Act 2010 requires that the Council when exercising its functions must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an Equality Impact Needs Analysis (EINA) has been undertaken on 1st September 2022.
29. The EINA is attached as Appendix 2 to this report. The EINA has found that withdrawal of the Tenants’ Offer would have a negative equality impact – reflective of the loss of priority re-housing status for secure tenants in the development area, which may be mitigated (albeit delayed) if any revised proposals offer new homes to existing secure tenants. The termination of procurement of a development partner would have some negative equality impacts, reflective of the delay to delivery of new housing and community facilities on the estate. It is not possible to provide analysis of the impact of reviewing objectives and options until that process is concluded, at which point a further EINA will be undertaken

SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)

30. As options are developed, their environmental impact will be assessed.

COMMENTS OF SOUTH LONDON LEGAL PARTNERSHIP

31. The Council’s external solicitors, Pinsent Masons, have reviewed this report and any comments are contained in the body of the report or below.
32. To terminate a procurement the Council must comply with the notification obligations under regulation 55(1)(b) of the Public Contract Regulations 2015 (PCR) of a

³ Alton Regeneration – Leaseholder and Freeholder Regeneration Commitments (November 2021)

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decision not to award a contract for which there has been a call for competition. In making such notification, the Council must ensure that it complies with the overarching requirements including transparency and fairness and equal treatment and non-discrimination. It is to be noted that such decisions will remain subject to challenge under the PCR where a bidder considers any of the duties under the PCR have been breached.

33. Risk in the termination of a procurement should also be assessed in terms of whether the procurement documents could give rise to any binding commitment to enter into a contract with the bidders and any funding and clawback commitments made with third parties if any. In addition, and in the absence of a PCR remedy, the decision to abandon itself could be the subject of a judicial review challenge.
34. Any contractual arrangements that flow from subsequent schemes (Block A development and the Meanwhile uses) following termination of the existing procurement, must where appropriate be advertised whether works or services under the appropriate procurement regime. This must also be assessed in particular terms of whether any re-development itself amounts to a public contract under the PCR.

COMMENTS OF THE DIRECTOR OF RESOURCES

35. The Director of Resources comments that the Housing Revenue Account (HRA) Business Plan has previously made provision for significant investment in the Alton Estate regeneration project totalling £105 million. This provision remains in the HRA Business Plan Update report presented in Paper No. 22-259 elsewhere on this agenda.
36. Clearly the termination of the procurement process will require the existing assumed cash flows to be re-evaluated and revised pending a detailed review of options and the development of future proposals. Any amendments to existing budgets will need to be considered at the appropriate time.
37. Any costs arising from the development of future proposals will need to be met from within the existing approved budgets (and wider provision within the Business Plan). The proposal to consider to whether it would be required to be funded by the HRA or the General Fund as the development of Block A as a stand-alone project will need further consideration as options are determined.

CONCLUSION

38. This report provides a revised direction for the Alton Estate through exploring other options. These options will be brought back to this committee for their consideration once available.

The Town Hall,
Wandsworth,

BRIAN REILLY
Director of Housing and Regeneration

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6th September 2022

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Background papers

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the democratic services officer can supply it if required.