PAPER NO. 23-07

WANDSWORTH BOROUGH COUNCIL

HOUSING COMMITTEE – 24TH JANUARY 2023

EXECUTIVE – 30TH JANUARY 2023

# Update report by the Director of Housing and Regeneration on the Winstanley and York Road Regeneration scheme (Falconbrook).

SUMMARY

This report provides details of the latest position and decisions required on the Winstanley and York Road regeneration scheme.

The regeneration scheme is being delivered jointly with Taylor Wimpey via a Joint Venture – the Winstanley York Road Regeneration LLP. The report is to consider the 2023 Joint Venture scheme wide and Phase Business Plans and details the funding requirement for 2023.

The report also provides a general update on the scheme.

Details of the Business Plans and arrangements concerning lending are contained in Paper No. 23-07A, which contains commercially sensitive information.

The Director of Resources comments are contained in paragraphs 59-62 of this report.

GLOSSARY

| | | |
|---|---|---|
| CPO | - | Compulsory Purchase Order |
| EINA | - | Equality Impact Needs Analysis |
| HRA | - | Housing Revenue Account |
| JV | - | Winstanley Road-York Road Regeneration LLP |
| LCC | - | Leisure and Community Centre |
| LPA | - | Local Planning Authority |

**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) Approve the Winstanley-York Road Regeneration LLP Business Plan (scheme-wide) for 2023 attached as Appendix 1 of Paper No. 23-07A;

(b) Approve the Phase 1 Winstanley-York Road Regeneration LLP Business Plan 2023 attached at Appendix 2 of Paper No. 23-07A;

(c) Reaffirm the revised equity loan funding arrangements to provide the Joint Venture with a cash equity loan of up to £33 million;

(d) Reaffirm approval of the CPO loan funding arrangements for further acquisitions costs up to an additional £50 million;

(e) Note that both of these funding arrangements will be funded as capital expenditure through the Housing Revenue Account and are contained within the budget and framework set out for approval in the Housing Revenue Account Budget report elsewhere on this agenda and that interest will accrue to the HRA;

(f) Agree that in the event of interest rates rising significantly that the Director of Resources shall have the authority to vary the rate charged to ensure that the Council does not breach subsidy control rules;

(g) Note that finalisation of the revised funding arrangements remain subject to the Council being satisfied that suitable contractual arrangements are in place to give the Council the option to deliver additional Council units in Block 10 (and as agreed by Paper No. 22-10);

(h) agree to undertaking consultation with secure tenants affected by the proposed rehousing changes in accordance with Section 105 of the 1985 Housing Act and as detailed in paragraphs 41 to 46;

(i) Authorise the Director of Housing and Regeneration to finalise a Deed of Variation to the Joint Venture Agreement to revise the building handover and defect liability monitoring processes for all future Council blocks for the reasons set out in paragraphs 48-49.

**INTRODUCTION**

3. This report provides an update on the Winstanley and York Road regeneration scheme and approval of the 2023 Joint Venture scheme-wide Business Plan, the Phase 1 Business Plan and associated funding decisions.

4. In September 2017 the Council entered a corporate joint venture with Taylor Wimpey UK Limited to deliver the regeneration of the Winstanley-York Road estates. The Winstanley-York Road Regeneration LLP is a Joint Venture (JV). It is arms-length from the Council but the Council and Taylor Wimpey each have three board members on the JV Board. The Council's board members have remained consistent since the JV was established – the Assistant Director, Regeneration and Development; Head of Regeneration (Winstanley-York Road) and the Council's Regeneration Adviser.

5. The JV's objectives are attached at Appendix 1 – they are predominantly focussed on the Council's regeneration objectives but with a financial objective as the scheme needs to be viable to ensure its deliverability. As JV Board members, the Council representatives must act in the best interests of the JV and the role is distinct from their role as officers.

6. The overall regeneration scheme is funded from a mixture of an equity loan (currently capped in the agreement between the Council and Taylor Wimpey at £38 million each), sales revenue, which includes the Council's contributions payable to the JV towards its replacement homes, and third-party funding. The actual equity (shareholding) of each partner is £1. The Joint Venture is required to prepare and agree a Business Plan each year which is then subject to separate approvals by both partners. In the Council's case this approval is via the Housing Committee and Executive.

7. The 2021 scheme-wide JV Business Plan (Paper No. 21-46) required the approved masterplan planning application to be varied to maintain the scheme's viability and, therefore, deliverability. In the main this proposed delaying the Leisure centre, Library, Childrens' Centre and Community Centre facility (LCC) until later in the scheme. This change required a revision to the approved planning, either through use of an amendment (known as Section 73 application) or through a new planning application. The 2021 Business Plan also agreed that each party made new equity loans of up to £33 million each.

8. The 2022 JV Business Plan (Paper No. 22-10) reaffirmed the equity required to be invested of up to £33 million per partner. To aid the JV's cash flow and scheme viability, the Council also agreed an additional loan relating to the cost of acquiring properties and rehousing tenants (referred to as the Compulsory Purchase Order or CPO Loan) to the JV of up to £50 million. This sum would be repaid by the JV later (with interest) when land was drawn down for development. The legal agreements for these loans have not yet been finalised so the funding is not legally committed.

9. The trends and difficulties identified when agreeing the 2022 Business Plan have been exacerbated in the past year. These are summarised in the paragraphs below.

**Wider Economic Outlook**

10. The construction industry has been subject to sustained build cost inflation in recent years, and this has continued over the past year. For example, the BCIS All-in Tender Price Index forecasts a 9.4% rate of inflation for costs cumulatively to May 2024. Meanwhile, the prospects for the wider economy and housing market have also worsened over the past year and future trends are uncertain at best. Whilst it is clearly not possible to predict future costs or house values, lenders (of which the council is one in this case) need to be aware of the context and resultant risk when considering lending.

11. Interest costs for purchasers are considerably higher than 12 months ago and mortgage availability appears more restricted. In addition, the Government's Help to Buy scheme is now closed to new applicants. General predictions appear to be that house prices will fall in the coming year and major housebuilders appear to be retrenching their plans for new homes in response to this and wider challenges. The combination of uncertain house values and high-cost inflation has significantly reduced margins on the scheme as programmed.

## 2023 DRAFT BUSINESS PLANS

12. The factors described above led to the JV to conclude that continuing with the current programme for delivery of the masterplan does not make commercial or financial sense at the present time. If the programme agreed in the 2022 Business

Plan was maintained, the level of equity loan required from each partner would have approached nearly double the previous amounts. Given the current level of uncertainty about the economic outlook, Officers did not consider it would be prudent to recommend such an increase in lending to the JV and the JV, collectively, is of the same view.

13. Alternative options were therefore explored that ensured that momentum was maintained and also the Council's priority of seeing delivery of new homes for existing tenants continued.

14. As a result, the JV has produced a Phase 1 Business Plan for 2023 which combines continuing the delivery of affordable housing while pausing on other elements of the scheme (including submission of the Section 73 application for re-phasing) until there is greater certainty and confidence in the future financial outlook. The Phase 1 Business Plan is attached at Appendix 2 to Paper No. 23-07A.

15. The 2023 Phase 1 Business Plan proposes pausing progress on the overall scheme for a year but continuing with the completion of Block 5 and proceeding with steps to commence the construction of Block 6. Block 5 is on site and comprises 126 Council flats (106 social rent, 20 equity share) to rehouse existing residents of the estate. Block 6 currently comprises 63 Council flats and 64 Open Market Sale flats.

16. Other work on the scheme including the re-phasing planning variation, design of further buildings and new infrastructure works will be paused for a year. Any works which are identified during the year as essential for the long-term delivery of the scheme or for long term costs will need to be individually sanctioned by the JV Board as exceptions and the Business Plan contains financial contingency to allow this discretion. In the run up to the 2024 Business Plan in the autumn of 2023, the scheme viability will be tested again. If it has improved to the extent that both partners in the JV are satisfied, then a new scheme wide-2024 Business Plan will be prepared for approval in the usual manner.

17. Despite the proposal to pause some elements of the scheme there is still a contractual requirement for the JV's partners to agree a scheme-wide Business Plan in addition to the phase business plan. It should be noted that this plan is based on the current planning assumptions and programme but deferred to reflect the pause. This will be reviewed during the scheme pause during 2023.

**Programme**

18. Block 5 is due for completion in Spring of 2024 and will deliver 126 Council homes and a retail unit providing a "metro" supermarket.

19. Block 6 forms part of the detailed planning permission for the masterplan but will require planning permission for an internal re-design to adapt the flat sizes to accommodate the Housing Needs of residents and respond to the new regulations around Fire safety. Assuming planning approval is granted by autumn 2023 and a Compulsory Purchase Order (CPO) is not required the Business Plan estimates that Block 6 could start on site by Autumn of 2024 with an estimated completion date of Autumn 2026. This would be marginally ahead of the target date for delivery in the previously approved 2022 Business Plan.

20. The Council has been successful to date in acquiring the outstanding leaseholder interests in Pennethorne House required to allow Block 6 to be built. A small number remain, and efforts are continuing to acquire these interests by negotiation. If unsuccessful, then the Council would need to consider the use of its CPO powers which would delay start on site by at least a further year.

**Scheme-wide planning implications**

21. Planning permission for the scheme was issued in 2021. The permission is a hybrid one which gave detailed permission for Blocks 1, 5 and 6 and the LCC with the remainder of the scheme being in outline. The proposed pause in the scheme presents an opportunity to the JV and the Council to take stock on the overall phasing of the scheme and its planning strategy. However, while not challenging the fundamentals of the scheme, which remain strong, this could enable elements of the scheme to be reviewed and finessed to ensure the proposals remain viable in the long term and reflects any changing demands in the delivery of services from Council buildings.

**Vacant Possession and Demolition**

22. Construction of Block 6 requires the demolition of the former Battersea Baptist Church, Thames Christian School and Pennethorne House. The Church and School are both vacant and back in the Council's possession following their relocation to new, shared premises on Grant Road, built as part of Phase 0 of the regeneration scheme. The aim is that demolition of the church and school will commence in April of this year. The Lavender Road block of small estate shops and four flats above has also been largely vacated through a combination of early moves and provision of new build housing. A plan showing the location of the blocks is included (Appendix 2)

23. To allow the demolition of the church, school and possibly Lavender Road, in advance of the site being drawn down by the JV, the Council will initially fund these works and recover the costs from the JV when the land is drawn down. The land would be drawn down just prior to start on site of Block 6.

24. Authority has previously secured to serve Initial Demolition Notices on Pennethorne House and the Lavender Road block (Paper No. 18-161). If required, these notices will be served prior to demolition.

**Cultural Strategy**

25. Under the existing planning permission, the JV has an obligation to produce a Cultural Strategy for the scheme by the time Block 5 is completed. The JV has agreed to allocate the funds for this to the Council Arts Team who will work with both the JV and the Regeneration Team. This is line with the Council's more collaborative approach with developers delivering arts and culture as parts of major developments.

26. The JV has also agreed to provide £520,000 towards community and interim uses on the estates over the next three years and the pause will allow time to develop and deliver proposals. The JV recognises that there are opportunities to assess both newly available and existing underutilised spaces across the estates. The JV will work closely with the Regeneration Team and local residents to develop interim uses for these spaces as part of a wider Engagement Strategy. The Engagement Strategy

is due to be agreed by the JV in spring 2023. The Strategy will be reported to the June meeting of this Committee and Updates on progress will form part of the twice-yearly update reports on the wider scheme provided to this Committee.

**Business Plan Costs and Funding**

27. The housing in Block 5 is being funded by the Council from in part from the Council's capped contribution towards replacement Council homes of £150 million and partly (Block 5A) from the Council's Homes for Wandsworth programme. The allocation of units in Block 5A is covered in detail in the report.

28. The 2021 and 2022 scheme business plan requested an additional equity loan from the JV partners of £33 million each although this has not yet been actioned. The 2023 Phase 1 Business Plan, which relates purely to blocks 5 and 6 and any ongoing infrastructure needs, would require drawing down on current estimates some £16.5 million of this existing unused facility, most of which would be drawn down from 2024 onwards. Based on current profiles this equity loan would not be redeemed until the JV has surplus funds which is not anticipated to be until 2030/31. This is some two years later than the 2022 Business Plan and reflects the pause in the programme.

29. The funding requirement and programme will be reviewed as part of the development of the 2024 scheme Business Plan. This may result in a revised funding request, but the current funding proposals enable momentum to be continued in exceptionally difficult economic circumstances from within existing approved HRA budgets.

**CPO Loan**

30. Paper No. 21-46 agreed the principle that any future property interests that are due to be reimbursed by the JV as part of CPO 1, will be acquired by the Council and then transferred to the JV at land draw down at which point the acquisition costs will be recovered from the JV.

31. In the interim, the cost of the purchases in CPO 1 would be a charge to the HRA capital programme. Again, the JV would pay interest between the acquisition of the properties and the point that the JV draws down the land they sit on. These proposals will limit the amount of time that the additional equity loan is required.

32. As reported in Paper No. 21-46, the JV agreement only requires the JV to offset properties required for a current CPO phase against the Council's original equity loan cap, however, the JV has also been accepting properties acquired for later phases against the Council's equity loan. The arrangement for out of phase properties to be charged to the Council's equity loan has ceased due to the wider funding challenges identified in Paper No. 21-46 (and the JV are within their rights to do this). The JV must agree to the Council purchasing property in later phases, but these properties remain with the Council and, like the purchases funded from equity loan, accrue interest.

33. Paper No. 22-10 approved a CPO Loan of up to £50 million and this figure remains sufficient to allow the Council to continue to acquire property. The Council will receive interest on this amount and the loan is secured against either properties acquired or, in some cases, land. When land is drawn down for development the JV will repay the acquisition costs for that plot thereby paying off the loan.

34. Both the additional equity loan and CPO loan would be on the same terms as agreed in previous years. As interest rates have risen since those Business Plans were agreed, advice has been taken as to whether the rates used are in breach of subsidy control (previously known as State Aid Rules). Based on the current market both loans are considered to comply with the current subsidy control requirements. However, should interest rates significantly increase before the loan is formally agreed then the rate charged may need to revisited. In the event of this happening, the Director of Resources will need to determine what is the appropriate rate and authority for this, if required, is included in the report's recommendations.

35. If the interest rate the JV is required to pay were increased, it would clearly result in the JV's costs increasing and may result in an additional requirement for the partners to increase their equity loans. The interest rate position and any possible impact on the equity loans amounts will be kept under review.

**Summary**

36. Both the 2023 Phase 1 Business Plan and scheme-wide Business Plan have been agreed by the JV and are recommended to the Council for approval. The Phase 1 Business Plan provides a considered response to a very difficult current economic situation which is impacting large residential development schemes across London. The Plan maintains the current equity loan ask within that agreed in both the 2021 and 2022 scheme-wide Business Plans and balances the need to contain risk at this challenging time while maintaining significant momentum in the delivery of new Council housing.

37. Officers consider this to be a pragmatic and effective plan that will help secure the long-term delivery of the overall regeneration and the benefits that will accrue in particular the speedier delivery of new Council homes.

**BLOCK 5A**

38. Members will recall that following the decision in Paper No. 21-46 the Council exercised an option under the JV agreement to acquire Block 5A, which forms one of the three "cores" (or blocks) that make up Block 5. In the original planning approval Block 5A was to be shared ownership but on exercising its option the Council switched these to predominantly Council rent with some units for rehousing of resident leaseholders. Planning permission was obtained for this change of use which has the effect of making the proportion of social rent accommodation higher as a proportion of all affordable tenures.

39. In Paper No. 21-46 and in a previous report (Paper No. 20-244), the possibility was discussed of moving Penge House residents into Block 5A if it was acquired. Penge House, although not in the regeneration red line area, has been identified as requiring a decant at some point in the medium term so that refurbishment and structural work can be undertaken. Current plans on which residents have been consulted (July 2020 Phasing Plan) show Penge House together with Inkster House being decanted into new build housing in the regeneration scheme in Blocks 12 and 13 in the latter phases of the scheme. Block 5A was seen as a potential opportunity to bring this decant forward without impacting the re-housing of estate residents. Although this option was discussed publicly in these papers no formal Council decision has been taken on the allocation of units in Block 5A. However, it should be noted that most residents of Penge House are aware of the possibility.

40. This issue was raised when the assumptions around the timescales for the delivery of the scheme were more optimistic. Given that there are now challenges around the timing of rehousing of residents from the estates, Officers consider it is right to prioritise the allocation of Block 5A to estate residents within the regeneration “red line” area. The commitment to re-house Penge and Inkster House’ in Blocks 12 and 13. These blocks are delivered in the latter phases of the development and the earliest they will be delivered is 2033.

**RE-HOUSING UPDATE AND IMPACT OF 2023 BUSINESS PLAN**

41. The below assumes that this report’s recommendation to use Block 5A to re-house residents originally identified within the redline boundary in the scheme is agreed.

| **Stage of scheme** | **Blocks where residents will be rehoused from.** |
|---|---|
| Offsites – Sphere Walk, Gideon Road, Rowditch Lane | Pennethorne House, Lavender Road Galleons Court |
| Mitchell House and Block 5 | Scholey House, Kiloh Court, Jackson House, |
| Block 5A | Arthur Newton House, Baker House, Holcroft House |
| Block 6 | Holcroft House |

42. The 2023 Business Plan will mean that by Spring 2024 sufficient new housing will have been provided by the scheme to enable the re-housing of all secure tenants and resident leaseholders in Arthur Newton House, Jackson House, Pennethorne House, Scholey House, Baker House, Galleons Court, Lavender Road and Kiloh Court. By the time Block 6 is completed sufficient new housing will have been provided by the scheme to enable the re-housing of all secure tenants and resident leaseholders in Holcroft House as well. This would mean that residents of all three of the original large slab blocks on the old York Road Estate will have been re-accommodated.

43. The JV is required to build 530 Council replacement social rent units and 70 Council Equity share units for existing resident leaseholders and freeholders. This has been increased by 55 more Council social rent units as a result of the Council securing ownership of Block 5A. This gives a total of 655 new Council homes. Once blocks 5, 5a and 6 are completed there will only be 117 of the original estate residents eligible for re-housing, remaining to be re-housed - the residents of Chesterton, Gagarin, Farrant, Shephard and Ganley Court.

44. The JV is still obliged to build the remaining 420 new build Council homes. Once the 117 remaining households are accommodated there will be 303 Council homes available to meet other commitments the Council has made. These commitments extend to up 197 households - 107 from Inkster and Penge Houses, and up to 90 with the right to return from the off sites. This would leave over 100 new properties for general needs allocation. The actual figure is likely to be far higher than this (perhaps closer to 200 homes) as few residents are expected to take up the right to return as they are already living in other new build Council homes on the off-sites which are suitable for their needs.

45. The overall timings of the delivery of the remaining council housing will be reviewed as part of the planning review of the scheme. However, the proposal to allocate Arthur Newton House to Block 5A and Holcroft House to Block 6 retains the previous order of re-housing as agreed in the 2020 Phasing Plan. Although the timing may change there is no intention to change this order for the re-housing of the remaining residents either.

46. Nevertheless, the change in re-housing location is a matter which Officers consider should be consulted on with residents under Section 105 of the Housing Act, since the previous plan was also consulted on in 2020. The report therefore recommends approval to commence a consultation under Section 105. The results of this consultation will be reported back to a later Committee.

**TEMPORARY ACCOMMODATION**

47. Pennethorne House is currently being used for Temporary Accommodation. Demolition will not be undertaken earlier than is required in order to ensure this service is retained. Prior to demolition these residents will be required to be re-housed under the Council's Allocations Scheme. The proposed programme means that the building would need to be empty by the end of February 2024. Scholey House, Kiloh Court, Jackson House, Baker House and Arthur Newton House will commence decant into Block five from February 2024, providing an opportunity to offset the loss of temporary accommodation units.

**DEFECTS LIABILITY PERIOD AND BUILDING HANDOVER**

48. The JV agreement requires the Defects Liability Period (i.e., post-completion building defects) to be managed by the JV DM Team. This resulted in some issues when addressing defects mainly as it increased the chain of communication further by introducing the DM team between the Council, the project Employer's Agent and the Contractor. The Phase 1 2023 Business Plan proposes that for Block 5 and for future Council properties the handover process will be revised to increase the role for the Council and improve the overall operation and specifically that the role of managing the Defects Liability Period will be undertaken by the Council.

49. Funding for this role which was paid to be the DM team will now be paid to the Council. This will require a Deed of Variation to the JV agreement. The final details of the variation will be negotiated with the JV and it is recommended that the final details are delegated to the Director of Housing and Regeneration to agree and conclude.

**UPDATE ON COMMUNITY ACTIVITIES IN 2022**

50. During the past year the JV funded a new playground and other improvements to York Gardens. The playground was opened in the summer of 2022 and has been popular with local residents.

51. The Joint Venture has continued with support for the Battersea Alliance, including funding for setting up and running Battersea Youth Voice and Battersea Volunteer Network over the past year. The project has been match-funded by the Big Local and has contributed to building community resilience and to tackling mental health issues particularly around isolation.

52. The Regeneration Team has run a community arts project for the hoarding around the vacant Church and School buildings in Pennethorne Square. This has included working with local groups, schools and parents to produce art and designs for the hoardings including re-purposing of the doors from the old School for local people's paintings of their favourite things.

**COMMENTS OF THE SOUTH LONDON LEGAL PARTNERSHIP**

53. The Council's external legal advisers Pinsent Masons have provided the comments set out in paragraphs 53-58 inclusive below.

<u>Vires</u>

54. The Council has the requisite vires/power to the Council to establish and participate in the JV for the purposes of delivering its objectives. Specifically, the Council may rely upon the following two primary powers:

- Section 1 of the Localism Act 2011 - provides a "general power of competence" for local authorities (the "GPOC"). The GPOC is a power for a local authority to do "anything that individuals generally may do".

- Section 12 of the Local Government Act 2003 – provides a separate power to invest for any purpose relevant to their functions. In exercising their powers of investment, local authorities must have regard to the statutory guidance issued by the Secretary of State and specified guidance published by CIPFA.

<u>Subsidy Control</u>

55. Under the Trade and Co-operation Agreement entered into between the European Union and the United Kingdom on 31 December 2020 (the "TCA"), both the EU and the UK undertook to implement an effective subsidy control regime in their respective territories.

56. On 28 April 2022, the UK's bespoke system of subsidy control law - the Subsidy Control Act 2022 (the "SCA 22") - received the Royal Assent and the legislation came fully into force on 4 January 2023.

57. Under the SCA 22, there is a four part test applied to establish whether or not an intervention meets the definition of a "subsidy". One part of the test relates to whether or not the proposed arrangements are being provided on terms that are more favourable to the enterprise than terms that might reasonably have been expected to have been made available to the enterprise on the market (the "Commercial Market Operator Principle"). As stated in paragraph 41, the intention is that the equity loan and CPO loan will be on market terms and would therefore not be a subsidy.

<u>Consultation</u>

58. Under s105 of the Housing Act 1985 a local authority landlord must maintain arrangements allowing its secure tenants who are likely to be substantially affected by matters of housing management to be consulted with, prior to making any

decision on the relevant matter. It is therefore considered appropriate to carry out consultation with affected secure tenants in relation to the proposed rehousing changes set out in paragraphs 46-51 of this report, and to report the findings of that consultation back to a later committee, before making any decision as to whether to implement the changes that are described in those paragraphs.

**COMMENTS OF THE DIRECTOR OF RESOURCES**

59. The Director of Resources comments that the proposals in this report address the funding challenges faced by the JV and proposes revisions to the JV Business Plan in order to mitigate against the scheme becoming unviable.

60. Overall, the funding considerations remain the same as previously approved (Paper No. 22-10) with re-phasing to match current timelines and more realistic expectations in the current economic climate including the challenges of high inflation and increasing interest rates.

61. In view of increasing interest rates, the Council needs to be mindful that any loan finance provided to the JV are not in breach of subsidy control rules. Currently the assumptions are that these facilities will be on the same terms as agreed in previous years, but this will need to be kept under review if interest rates continue to rise with revised terms agreed and approved if necessary.

62. The impact that the proposed funding changes will have on the HRA, both in terms of capital and revenue positions, and the wider overarching financial position of the JV's revised Business Plan, has been incorporated within HRA Rents and Budget report (Paper No. 23-08) elsewhere on this agenda. As confirmed within that report, overall, the costs of the regeneration scheme are still considered affordable within the HRA business plan with the Council's investment in replacement affordable housing continuing to be capped at £150 million.

**EQUALITY IMPACT NEEDS ANALYSIS**

63. 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. Equality Impact Needs Analyses have been undertaken previously on this project including on the scheme and on the allocations process and letting plans. Their status continues to be reviewed by Officers. The impact of a re-phasing of elements of the programme will be reviewed as the details of the change and mitigations are agreed through the planning process.

**SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)**

64. In Winstanley and York Road, the energy strategy will be revised and updated to a more carbon efficient solution which will be in line with the London Plan and compatible with the fact that this is a densely occupied site with significant energy targets.

**CONCLUSION**

65. The Council decided before it procured a development partner that its “one move” policy for residents was non-negotiable. This decision has been central to the phasing plans for the scheme and the “front-loading” of replacement Council homes both within the scheme and new “off-site” homes in the Battersea area.

66. To date 46 Council units have been delivered at Mitchell House and a further 126 at Block 5 are due to be handed over in early 2024. The proposals contained in the report will allow progress to continue in the delivery of 63 new Council homes in Block 6 despite an economic backdrop that is seeing schemes elsewhere being paused or cancelled.

67. The proposals contained in the report are considered to be a measured and prudent response to some challenging economic circumstances and the proposed pause will enable the Council and the JV to “take stock” of the scheme and its phasing. This approach is considered to give the scheme the maximum chance of success if and when economic circumstances improve.

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BRIAN REILLY
Director of Housing and Regeneration

16th January 2023

**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.