

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
15TH NOVEMBER 2018EXECUTIVE – 26TH NOVEMBER 2018Report by the Director of Housing and Regeneration on Winstanley and York Road
regeneration scheme update, SW11 (Latchmere)SUMMARY

This report provides details of the latest position regarding the Winstanley and York Road regeneration scheme. The report requests approval to agree to submit the hybrid planning application for the scheme and explains the latest position regarding the financial outlook and timing for Council funds to support the scheme. No additional Council funding is being requested.

The report also requests approval for the Joint Venture Business Plan for the first phase of development and approval to grant leases to the Winstanley and York Road Regeneration Joint Venture LLP (“the Joint Venture”) and other decisions required in order to allow construction to commence.

GLOSSARY

BBC	-	Battersea Baptist Church (BBC)
CIL		Community Infrastructure Levy
EINA	-	Equality Impact Needs Analysis
HRA	-	Housing Revenue Account
MHCLG	-	The Ministry of Housing, Communities, and Local Government
NHBC	-	National House Building Council
MUGA	-	Multi Use Games Area
NHBC	-	National House Building Council
SPG	-	Supplementary Planning Guidance
TCC	-	Thames Christian College

RECOMMENDATIONS

1. The Housing and Regeneration Overview and Scrutiny 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.

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2. The Executive is recommended to:
- (a) approve the Phase 0 Business Plan at Appendix 5, as the basis for the Joint Venture proceeding with construction of the development known as Land North of Grant Road and agree the required updates to the over-arching Business Plan arising from the Phase 0 Business Plan and the characteristics of the proposed hybrid planning application for the scheme;
 - (b) approve the submission by the Joint Venture of the hybrid planning application as described in paragraphs 4 to 19;
 - (c) agree that if a satisfactory funding solution cannot be agreed with the Thames Christian College for the construction of Block B within the Land North of Grant Road development by 30th December 2018, that the development should proceed without this element, as explained in paragraphs 33 to 38;
 - (d) agree a variation to the sales dispositions clauses with the Joint Venture as detailed in paragraphs 40 to 41 and delegate agreement of the detail and form of this amendment to the Director of Housing and Regeneration.
 - (e) agree to grant a short lease to the Joint Venture in respect of Blocks A and B of the Land North of Grant Road development as set out in the Phase 0 Business Plan;
 - (f) agree to grant a long lease to the Joint Venture in respect of Block C of the Land North of Grant Road development as set out the Phase 0 Business Plan;
 - (g) agree to the changes required to the Winstanley Estate Traffic Management Order resulting from the developments on Grant Road in the Phase 0 Business Plan and as explained in paragraph 42 and set out in Appendix 6.
 - (h) agree to the Council entering to a Deed of Guarantee jointly with Taylor Wimpey UK to enable the Joint Venture to enter a Basic Asset Protection Agreement with Network Rail as explained within the Phase 0 Business Plan. Delegate agreement of the final details of the guarantee to the Council representatives on the Joint Venture Board;
 - (i) agree to the Council entering into a Deed of Guarantee jointly with Taylor Wimpey UK to enable the Joint Venture to enter into a Warranty Agreement with the National House Building Council (NHBC) as explained within the Phase 0 Business Plan. Delegate agreement of the final details of the guarantee to the Council representatives on the Joint Venture Board;
 - (j) agree as the landowner of the site to accept Community Infrastructure Levy (CIL) liability for Phase 0 subject to the indemnity provided by Taylor Wimpey UK and the Council as detailed within the Phase 0 Business Plan. Delegate agreement of the final details of the indemnity to the Council representatives on the Joint Venture Board; and

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- (k) approve a positive Housing Revenue Account capital budget variation totalling £10 million (£1.5 million in 2018/19 and £8.5 million in 2019/20). This being the first tranche of the Council's cost of the re-provision of the affordable housing capped at an overall £150 million.

INTRODUCTION

3. Following a masterplanning process and subsequent partner procurement the Council entered into the Winstanley and York Regeneration Joint Venture LLP with Taylor Wimpey for the regeneration of the Winstanley and York Road Estates in September 2017. The Joint Venture is owned 50/50 by the Council and Taylor Wimpey UK PLC (Taylor Wimpey). The strategic objectives of the Joint Venture are as follows: -
- Tackling the range of issues that are contributing to levels of deprivation and lack of opportunities on the Winstanley and York Road Estates (the "Estates") and to effect the regeneration of the Estates;
 - Creating a better quality living environment, with a key focus on the Estates, but also recognising the benefits of improvement that could and need to be achieved in the surrounding area (e.g. improving crossing areas across York Road and tackling the Falcon Road under pass);
 - Improving the design and layout of the neighbourhood of the Estates;
 - Securing greater permeability through the Development Site and between the Estates and the wider neighbourhood and in particular better linkages and a clear and attractive route through the Estates between the new properties along the riverside and Clapham Junction;
 - Generating economic growth and new employment opportunities particularly for local residents;
 - Improving and diversifying the commercial and retail offer available at the Estates and in particular, boost the retail offer generally at the Estates including along Falcon Road;
 - Securing additional housing and promoting a greater housing choice for local residents and workers through the provision of intermediate and market housing as well as low cost rented housing;
 - Securing new high quality and high performing housing built to the London Mayor's Housing Supplementary Planning Guidance (SPG) 2012 Standards as set out in the Design Brief or as otherwise agreed by the Parties;
 - Addressing local housing needs and requirements, with a particular focus on providing suitable housing for older, disabled and over-crowded households;
 - Reducing long term maintenance and running costs for the Council's stock, significantly improving the energy efficiency of the stock and maximising the use of the Council's assets;
 - Creating through the development and regeneration, a strong and coherent sense of place where local residents want to live, now and in the future;
 - To provide the Members of the JV with returns that are commensurate to their investment to the extent that this is consistent with the other objectives expressed;
 - To explore other potential development opportunities to further the above

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objectives.

OVERALL WINSTANLEY AND YORK ROAD REGENERATION SCHEME HYBRID MASTERPLAN PLANNING APPLICATION

4. Over the past year the Joint Venture has been developing the planning application for the regeneration area. This will be a hybrid planning application with a detailed planning application being submitted for the first phase and outline for the remainder of the masterplan area.
5. Building blocks 1,5 and 6 are applied for in detail as shown in the plan attached as Appendix 1 (noted as A, B and C). This means that a full set of architectural drawings is supplied for consideration by the Local Planning Authority (LPA), and the design is fixed if permission is granted, save for minor details. The park is also applied for in detail. Subject to any conditions attached by the LPA, no further planning permission is required for construction to commence on these blocks.
6. The balance of the scheme is applied for in outline. Outline planning applications do not fix the detailed design of blocks, but instead establish a set of parameters and guides which the eventual design for these blocks must comply with. A further application for the design for these blocks, known as a Reserved Matters application, must be considered by the LPA before construction can commence. The outline planning application process is therefore a two-stage planning process, whereas the detailed application process is a one stage process.
7. Whilst the final floorspace and total number of residential units is known at this stage for the detailed elements, the final quantities to be delivered by the outline elements will be established through the Reserved Matters applications. Various characteristics of the outline blocks though are fixed through the parameters and guides, including;
 - Maximum unit numbers
 - Maximum floor spaces
 - Maximum heights
 - The general layout of blocks and the streets and spaces between them
8. These defined parameters have enabled environmental and townscape testing to be undertaken against a realistic defined maximum scale of development that the development could deliver. It is these potential maximums that planning permission is granted for, however it is normally the case that once the detailed design process is underway, it is not possible to achieve the maximum scale of development throughout the scheme. To demonstrate one way that the maximum parameters could be interpreted as a detailed scheme, the application is accompanied by drawings and images which the architects have prepared as an exercise to illustrate a 'potential scheme' that could be achieved, without exceeding the defined maximum parameters. This scheme is referred to as the Illustrative Masterplan and has itself helped inform the final proposed parameters and design codes for the outline elements of the application.

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9. Whilst the Illustrative Masterplan assists in understanding what might ultimately be developed, it represents only one potential scenario of how the outline parameters could be interpreted. The Illustrative Masterplan is therefore not submitted with the application for approval but for information only – to help officers and Members understand one potential interpretation of the outline application.
10. The outline application proposals are intended to provide a degree of flexibility for variety and richness of design approach across the site by individual architects at the reserved matters stage. While a key aspiration is that efficient use is made of the site through the proposed development to maximise housing provision including affordable housing delivery, what can be achieved within the parameters will not be known until all reserved matters have been approved. Each Reserved Matters application will be the subject of further scrutiny through the second stage of the planning approval process (as described above) and there is therefore no certainty at this stage that a scheme that achieves the maximum specified quantum of development can ultimately be achieved and be acceptable in design terms.
11. The hybrid application is for a mixed use, residential led masterplan that will transform the area. The regeneration will deliver up to 2,550 homes across five development phases across the 10.5-hectare site. It will also offer improved connections to the railway station and new commercial spaces delivering up to 7,000sqm of commercial and community space in a range of uses including retail, food, offices, space for voluntary and religious uses including a new medical centre. The overall masterplan will deliver 35% affordable housing across all phases including new homes for the existing residents on the estate.
12. The phasing of the scheme will mean that the existing open space will be reconfigured and a brand new urban park with naturalistic meadow planting, open spaces, children's play and a running circuit will be delivered in its place but with a focus on retaining as many existing trees as possible and new planting where required to replace trees lost. The park and adjoining open spaces are designed to reinvigorate the area and aim to integrate the new development within the surrounding neighbourhood context. Developed with the community and the teams that maintain it, York Gardens will be a park designed with and for local people and with landscape proposals which complement the existing context, with its mature trees and verdant setting, together with a healthy, active, safe and enjoyable place for the community.
13. The regeneration delivers a range of buildings including landmark residential towers along York Road and more traditional, medium rise, brick built, mansion block buildings around York Gardens. The design team has drawn inspiration from the wider Wandsworth area, referencing the rich red brick fabric found in the mansion blocks of Battersea Park. Proposals are tenure blind and the mansion blocks that sit around the park will ensure that as many residents as possible are provided with a view of the park and that no home is more than one block away from the park itself. New homes will be well-planned and will all be provided with amenity spaces. All homes will be built to the London Mayor's Design standards. Affordable family homes will be provided with kitchens that are separate from living spaces. High levels of cycle storage will be provided to the base of the residential buildings.

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14. Winstanley and York Road promises to deliver a sustainable and dynamic new community focused around a new park, delivering new homes within walking distance of Clapham Junction and a wealth of community uses delivered in the detail element of the scheme.
15. The detailed element of the application consists of 502 new homes on the edge of the park and includes a new leisure centre, library, community centre and children's centre in a landmark building on the edge of the new park and with a new restaurant facility opening out onto the park. The 502 new homes include 40% of affordable homes of which 134 are Council owned social rent flats built to match the housing needs of the residents who are to be re-housed there.
16. The design development has identified opportunities where some additional units may be possible and others where less development is more appropriate. The Joint Venture has committed that 35% of any additional housing units above the bid level which secure planning approval will be affordable housing.
17. The affordable housing figures will be tested as part of the planning process and will be subject to review via the London Mayor's Affordable Viability Guidelines. If these tests reveal that a higher level of affordable housing is justified, then this will be provided. However, the JV has committed that even if the tests reveal a justification for a lower level the level will not be reduced. The unit figures are set out in the tables below. These show the figures for the whole scheme both including and excluding the already approved Phase 0 scheme, (Land North of Grant Road), and the figures for Phase 1 of the scheme which is the element where a detailed planning approval is being sought. These figures illustrate that the whole scheme will produce 35% affordable housing by unit numbers and 38% by habitable rooms (the GLA's preferred measure) and that Phase 1 will produce 40% affordable housing by unit number and 43% by habitable room.
18. This demonstrates that the proposals will secure the affordable housing and other community benefits at the start of the scheme before the bulk of the private housing is delivered towards the end. This is in contrast to the usual practice in estate regeneration and other development schemes where the affordable and community elements are delivered towards the end after the private housing has raised the funds to provide them, with all the consequent risks of delivery of those benefits not being secured. Further details of the breakdown of tenure are shown in the tables below.

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FULL SCHEME		Excluding LNGR		Including LNGR	
		Units	Hab Rooms	Units	Hab Rooms
Social Rent	Existing	527	1400	527	1400
	Proposed	484	1554	530	1665
	Uplift	-43	154	3	265
Affordable Rent	Existing	14	41	14	41
	Proposed	100	266	100	266
	Uplift	86	225	86	225
Intermediate	Existing	0	0	0	0
	Proposed	222	653	222	653
	Uplift	222	653	222	653
Shared Equity	Existing	0	0	0	0
	Proposed	86	264	86	264
	Uplift	86	264	86	264
Private	Existing	218	669	218	669
	Proposed	1658	4559	1751	4810
	Uplift	1440	3890	1533	4141
Total	Existing	759	2110	759	2110
	Proposed	2550	7296	2689	7658
	Uplift	1791	5186	1930	5548
Total Affordable		35%	38%	35%	37%
Net Additional Affordable		19.60%	24.99%	20.57%	25.36%

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PHASE ONE		Excluding LNGR		Including LNGR	
		Units	Hab Rooms	Units	Hab Rooms
Social Rent	Existing*	132	364	132	364
	Proposed	134	484	180	595
	Uplift	2	120	48	231
Affordable Rent	Existing	0	0	0	0
	Proposed	0	0	0	0
	Uplift	0	0	0	0
Intermediate	Existing	0	0	0	0
	Proposed	65	165	65	165
	Uplift	65	165	65	165
Shared Equity	Existing	0	0	0	0
	Proposed	0	0	0	0
	Uplift	0	0	0	0
Private	Existing	0	0	0	0
	Proposed	303	874	396	1125
	Uplift	303	874	396	1125
Total	Existing	132	364	132	364
	Proposed	502	1523	641	1885
	Uplift	370	1159	509	1521
Total Affordable		40%	43%	38%	40%
Net Additional Affordable		18.11%	24.59%	22.20%	26.04%

*Note: Only Penethorne Demo Included as existing units.

19. These numbers do not include the additional new social rent and shared equity housing being built by the Council on the Battersea off-sites in order to re-house estate residents from the first phase of the development. There are 107 further affordable units (343 habitable rooms), being provided on these sites. The impact of including these units across the whole scheme is shown in the tables below. These illustrate that the planning application, together with the Grant Road scheme and the off-sites produce 37% affordable homes by unit numbers and 40% by habitable rooms. The final table illustrates that the first three phases of the scheme, the off-sites, the Grant Road phase 0 development and phase 1, will produce affordable housing at 47% of unit numbers and 50% in habitable rooms along with a new leisure centre, library, community centre, nursery, new Battersea Baptist Church and new, expanded Thames Christian College.

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ANALYSIS OF PROPOSED ACCOMMODATION BY TENURE

FULL SCHEME		Excluding LNGR		Including LNGR	
		Units	Hab Rooms	Units	Hab Rooms
Social Rent	Existing	527	1400	527	1400
	Proposed	591	1897	637	2008
	Uplift	64	497	110	608
Affordable Rent	Existing	14	41	14	41
	Proposed	100	266	100	266
	Uplift	86	225	86	225
Intermediate	Existing	0	0	0	0
	Proposed	222	653	222	653
	Uplift	222	653	222	653
Shared Equity	Existing	0	0	0	0
	Proposed	86	264	86	264
	Uplift	86	264	86	264
Private	Existing	218	669	218	669
	Proposed	1658	4559	1751	4810
	Uplift	1440	3890	1533	4141
Total	Existing	759	2110	759	2110
	Proposed	2657	7639	2796	8001
	Uplift	1898	5529	2037	5891
Total Affordable		38%	40%	37%	40%
Net Additional Affordable		24.13%	29.64%	24.74%	29.71%

Offsite Decant Units:	107
Offsite Decant Hab Rooms:	343

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PHASE ONE		Excluding LNGR		Including LNGR	
		Units	Hab Rooms	Units	Hab Rooms
Social Rent	Existing*	132	364	132	364
	Proposed	241	827	287	938
	Uplift	109	463	155	574
Affordable Rent	Existing	0	0	0	0
	Proposed	0	0	0	0
	Uplift	0	0	0	0
Intermediate	Existing	0	0	0	0
	Proposed	65	165	65	165
	Uplift	65	165	65	165
Shared Equity	Existing	0	0	0	0
	Proposed	0	0	0	0
	Uplift	0	0	0	0
Private	Existing	0	0	0	0
	Proposed	303	874	396	1125
	Uplift	303	874	396	1125
Total	Existing	132	364	132	364
	Proposed	609	1866	748	2228
	Uplift	477	1502	616	1864
Total Affordable		50%	53%	47%	50%
Net Additional Affordable		36.48%	41.81%	35.71%	39.65%

*Note: Only Penethorne Demo Included as existing units.

Offsite Decant Units:	107
Offsite Decant Hab Rooms:	343

Notes:

Figures based on those provided by HTA and LBW.

These are draft figures and should not be relied on without further verification against underlying schedules.

The existing habitable rooms are based on the bedroom numbers plus one hab room.

SCHEME DEVELOPMENT CONSULTATION

20. This plan has been developed from the bid masterplan proposals agreed at Joint Venture inception. This process was as expected and explained at the time the creation of the Joint venture was agreed. The bid scheme was a detailed scheme and set many key commitments and principles and these have been adhered to. However, the plan was always going to require extensive further development, exploration of issues and details and ongoing discussion with stakeholders including most importantly the local resident community before a scheme for planning would be ready.
21. As part of that process there have been numerous meetings held with local groups and individuals, and large events and exhibitions held. The major events have been:

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- July 2017 – Battersea festival and bid masterplan revealed
 - July 2017 – Bid masterplan exhibition period
 - October 2017 – Emerging plan exhibition period
 - November 2017 – First phase planning proposals exhibition
 - February 2018 – Interim masterplan exhibition period
 - June 2018 – Battersea festival and draft proposed planning details revealed
 - June 2018 – Planning proposal exhibition period
22. The attached document at Appendix 3 illustrates some of the events held and participation records as part of the consultation and engagement since summer 2017. The full details of the consultation and engagement undertaken on this project since its inception will be set out in the Statement of Community Engagement which will be included in the planning application documents submitted to the Local Planning Authority.
23. The Joint Venture is committed to continuing its record of community engagement throughout the planning and development process and funding for this is included in the Joint Venture Business Plan. Activities planned for the next year include:
- A series of local workshops to develop a community brand for the area and scheme including local area mapping and walkabouts, identifying and illustrating local assets and producing community messaging with local people ensuring the community has ownership of its new homes, spaces and facilities
 - Working with estate residents to produce marketing material for the Council tenant and leaseholder homes in much the same way as they will be produced for the private for sale flats, including floorplans and layouts and digital material including CGIs to assist with identifying and planning their new home,
 - Producing two show flats, which, through a design competition process with local secondary schools will be decorated and furnished by local people to demonstrate how the homes could look and feel,
 - Continuing engagement with local residents on design through the planning process including detailed elements of their own homes as well as communal areas in their blocks,
 - Events and workshops to allow participation in design of the details of the park and of the library and community facility,
 - Workshops with young people to develop design ideas and develop proposals for the library to ensure its relevance particularly to the needs of young people
 - Workshops with local people to produce designs for the ongoing hoarding programme including living sensory wall and skip gardens and fostering planting for areas being developed
 - Craft workshops with local people and existing community groups to make small community assets such as bird boxes, bee hotels, planters and window boxes for new balconies, table tennis bats for recently install tables, cricket sets, goals, personalised door numbers, key rings etc.

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PHASING PLAN AND DECANT

24. The current proposed phasing plan for the scheme is attached at Appendix 2. The plan is formulated to allow for the decant of residents with only one move (with the exception of Pennethorne House residents in the first phase). Re-housed residents will all be located around the park perimeter, with park frontage shared equally between private and affordable housing. All re-housed residents will be offered the opportunity for a new home at up to a maximum height of eight storeys. All re-housed tenants will be offered homes which fit their housing need as assessed in their individual housing needs survey interview which will be carried out close to when their intended home is being designed. All re-housing will be in mixed tenure blocks. Resident leaseholders who wish to stay will be offered the opportunity to purchase a shared equity home of the same size as their existing home. The early moves and early buy-out opportunities still remain.
25. In very basic terms the re-housing plan is as follows;
- Pennethorne House residents move to the off-sites
 - Scholey, Kiloh and Jackson move to Block 5 and Block 15A
 - Baker and Arthur Newton move to Block 6
 - 23 units in Holcroft move to Block 6
 - Remainder of Holcroft moves to Block 7
 - Shepherd, Gagarin and Farrant move to Block 10
 - Chesterton moves to Block 9
 - Ganley moves to Block 8
 - Returning Pennethorne residents move to Blocks 8 and 12
 - The remainder of the re-provided housing to make up the 530 existing numbers will be in Blocks 12 and 13.
26. The major change in the past few months has been to delay the development of some of the private housing in towers along York Road until later in the plan. This has enabled the affordable housing to be developed earlier in the programme and results in a greater area of park remaining available or being newly provided during the development process.

FINANCIAL MODEL AND OVER-ARCHING BUSINESS PLAN

27. As required by the Joint Venture Members' Agreement with Taylor Wimpey the scheme financial model has been updated. The previous model and output schedule was submitted, considered and agreed when Taylor Wimpey was selected as preferred bidder in February 2017, (Paper No. 17-66). The model has been updated to reflect the design and phasing plan as contained in the proposed planning application. The plan also includes updated costs and revenues to reflect the market and economic conditions as they now stand. The operation of the model and treatment of inputs remains constant. However, since the inputs have changed the outputs have also changed. This was as agreed when the Joint Venture (JV) was created. From the time of JV inception to now, economic conditions have declined which can be summarised as sales revenue remaining static whilst build costs continue to increase. The viability of

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the original project model was always sufficiently robust to allow for impacts resulting from a deterioration of economic conditions to be absorbed without the need to withdraw from key commitments, fundamentally alter the objectives or need to cancel the project.

28. Further details of the financial position are set out in the confidential report at 18-414A.
29. The revised model and plan also have implications for the requirements and timing of the Council's funding of the project. The Council's commitment to fund £150m towards the cost of providing the replacement Council and shared equity housing remains the same. A Housing Revenue Account budget variation totalling £10 million is being recommended for approval at this time. The Council's commitment to invest £25m towards the costs of acquiring existing third-party interests on the site remains the same. The Joint Venture's agreement to allow the Council's already sunk costs of £13m towards acquisition to be counted as scheme investment remains in place. This £38m investment is in the form of loan notes with interest which will be repaid to the Council at the end of a phase or the scheme at the Council's request.
30. The timing of this funding has changed. The provision of the new affordable housing has been brought forward and so consequently has the Council funding to support it.
31. Officers consider that the Council should, in its role as a Joint Venture partner and as the owner of the land, agree to the submission of this planning proposal and should accept the current outlined financial position as the basis for continued implementation of the scheme. As identified above, it should be noted that this is only an agreement that the proposal should be submitted to the Local Planning Authority and other relevant Authorities for determination and will have no influence on the deliberations of those bodies.
32. The over-arching Business Plan for the scheme was approved by the Council at the time of agreeing to create the Joint Venture in June 2017, (Paper No 17-174). The new separate Phase 0 Business Plan considered in this paper and the characteristics of the draft planning application for the masterplan if both agreed will need to be reflected in an updated over-arching Business Plan for the scheme.

GRANT ROAD DEVELOPMENT – PHASE 0

33. The development plan always envisaged an early phase of enabling development along Grant Road. This is known as Phase 0 and planning permission was granted for this scheme (named as Land North of Grant Road) on 1st August 2018. The proposal is to build 93 new private flats, 46 new Council social rent and shared equity flats, a replacement facility for the Battersea Baptist Church (BBC), an expanded school for Thames Christian College (TCC) and an improved Multi Use Games Area (MUGA) facility to replace the existing MUGA (known locally as "the blue pitch"). A plan of the scheme is shown at Appendix 4.
34. The Council units (Block A on the attached plan) will be used to re-house residents from Scholey House, Jackson House and Kiloh House. The remainder of the residents from

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these properties will be housed in Block 5. These units are 1 and 2 bed, they are the first replacement blocks to be built and the property is located close to the existing sheltered facility at Holmleigh Court and to the edge of the development site. Given these circumstances these properties will be initially prioritised for older residents from the identified blocks.

35. It has been proposed that the BBC be relocated from their present position on Pennethorne Square. Combined with the re-housing of residents from Pennethorne House to the Battersea off-sites this will create space for the development of block 6. The next block to be developed after block 5 and the leisure/library facility.
36. The TCC relocation was originally envisaged to be in Phase 1 but this is not now required for block 6 to be constructed and in terms of the current phasing plan will not be required until August 2021. However, as explained in the Phase 0 Business Plan the Grant Road development offers an early opportunity to relocate the TCC in a joint facility with the church, (Block B on the attached plan). The TCC are keen to be moved as soon as possible as they wish to increase their numbers of pupils and create a larger facility. This development has the potential to enable that expansion.
37. As a result, the Joint Venture has worked with the TCC to agree a development which meets their expansion requirements. A design has been agreed and planning permission secured. Heads of Terms were agreed with TCC which agreed the percentage split of costs for the new building. However, TCC is yet to confirm it can meet a contribution in full that will meet the agreed terms and reflects a reasonable allocation of funds between the cost of providing a replacement facility for them and their own costs for expansion. Consequently, the building contractor for phase 0 has agreed a short delay on confirming whether the TCC/BBC works should be included within the Phase 0 contract, while holding their price for the other elements. This gives time for the JV and TCC to attempt to reach an acceptable deal around funding the development. If an acceptable solution cannot be found, then the contract for blocks A and C can nonetheless proceed without the TCC/BBC building. However, in this scenario, the Council may need to use its Compulsory Purchase powers which is likely to result in either the buildings being reprovided elsewhere or any alternative financial settlement. Consequently, this report notes the overall contract award but with delegated approval to proceed without the TCC/BBC element (Block B) if funding terms with TCC can be finalised.
38. Discussions are ongoing with organised user groups of the MUGA to ensure they are provided replacement sessions throughout the period of the development. Discussions regarding the replacement for the blue pitch have formed part of the conversations and ongoing design workshops will include the local user groups and stakeholders of the pitch including Caius House, Falcon Road Mosque, Guy Mascolo Football Charity and Providence House. It is also expected the new facility at Falcon Park will be available from the middle of next year.

PHASE 0 BUSINESS PLAN

39. The Phase 0 Business Plan is attached at Appendix 5. The plan sets out the proposals for the delivery of the Phase 0 development. The plan includes a financial model for the

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phase which the key outputs from which are reported on in the accompanying report on this agenda (Paper No. 18-414A). The plan will set the parameters under which the Joint Venture will deliver the development. The plan includes details of the requirements for meeting conditions for drawdown, the proposals for setting of ground rents for the private accommodation, the details of the estate management proposals for all the buildings including the Management Company for Block C and the details of the guarantees which the Council is requested to agree to in this report.

40. The Business Plan also includes a proposed change to the marketing proposals for Phase 0 in terms of the restrictions on permitted sales and the form of lease granted to the Joint Venture. Currently the JV is required to reserve 25% of units for owner occupiers until the affordable accommodation is complete in the phase. In the revised proposals, this target is increased to 50%. However, if the Joint Venture can demonstrate they have undertaken reasonable endeavours to sell to owner occupiers over a reasonable period of time and it has been demonstrated that there are too few owner occupiers interested in purchasing in that phase. The Joint Venture can apply to have the percentage revised but it cannot fall below 35%. This gives the Joint Venture more freedom to act but in return the Council secures greater assurance over the levels of owner occupation.
41. The Joint Venture has explained some of the measures it will put in place to secure owner occupiers and these include; discounts for Wandsworth residents and workers, incentives for sales staff to sell to owner-occupiers, bespoke sales staff assistance for local buyers and if the units are not sold to owner occupiers early in the process this will mean that properties will be available in the last six months before completion which will be at a point in time when mortgage offers and Help to Buy could be accessed by owner-occupiers. Officers consider this a better position for the Council as it guarantees a greater proportion of owner-occupiers and the key driver of the original clause, which is to ensure that the private homes cannot be completed and sold with the Council works left unfinished, remains through the contractual structure of the Joint Venture and through restrictions in the planning permission.
42. The approved development on Grant Road will result in the loss of parking both during and will require some changes to the flow of traffic both during and after construction. These issues have been highlighted to local residents and accounted for in the construction management plan. These will require a change to the Winstanley Estate Traffic Management Order, the plans of affected areas are set out in Appendix 6.

WORKMATCH AND LOCAL JOBS AND TRAINING

43. The Phase 0 Business Plan also explains that, in order to maximise opportunities for local people to access jobs and training throughout the development the Joint Venture has agreed to fund £250,000 to create a new office for Workmatch at 100 Falcon Road. This is expected to open in the early part of 2019. Workmatch have also submitted a separate bid for funding to assist with training in construction skills and are discussing with the Joint Venture how this could be delivered on the site. A current proposal is to run scaffolding training using the existing redundant boiler house on York Road Estate.

Winstanley and York Road regeneration scheme update

44. The contractor for Phase 0, (Midguard), the Joint Venture and Workmatch are drafting an Employment and Skills Plan which includes proposals to consult with local groups on the jobs and opportunities that will become available and to offering those opportunities through Workmatch for local people to access.

AGREEMENT TO LEASES AND LAND DRAWDOWN

45. The Council is required to agree to leases with the Joint Venture which will enable the Joint Venture to draw down the land and develop it. There are two types of leases. Two short term building leases will need to be granted to enable the development of new Council housing in Block A and Block B for TCC/BBC. Once these buildings are complete, these leases terminate. Block A and Block B will return to the Council, although the Council will then grant a long lease of the relevant parts of Block B to the TCC and the BBC. The Council will remain the freeholder of the land throughout and after the leases expire. The other type of lease is a 250 year lease to the JV of the land on which the JV will construct Block C. The JV will then sell further individual plot leases on the flats within this block. The Council will remain as freeholder throughout.
46. For estate management purposes it is proposed that Block A will become part of the existing Winstanley Estate. Blocks B and C will sit outside of the Winstanley Estate.

START ON SITE – PHASE 0

47. The arrangements for starting on site have been discussed at length between the contractor, Taylor Wimpey as Development Manager and Council Officers to agree a Construction Management Plan. The preferred contractor has also met with local residents to talk about the arrangements, working hours, traffic management and health and safety
48. If the recommendations of this report are agreed, then the intention is to start on site in early December this year. The target completion date for the entire phase is December 2020 and with Block A expected to be completed by summer 2020.

CONTRACT AWARD

49. Taylor Wimpey acting as the Joint Venture Development Managers have undertaken a tender exercise to select a contractor for Phase 0. The details of the tender exercise are included within the Phase 0 Business Plan. The tender has been undertaken in line with the JV Agreement. The contract is a JCT Design and Build contract.

LEGAL IMPLICATIONS

50. This report has been commented on by Pinsent Masons who provide legal advice to the Council on regeneration schemes.

Winstanley and York Road regeneration scheme update**COMMENTS OF THE DIRECTOR OF RESOURCES**

51. The Director of Resources comments that the latest position confirmed by the financial model has been included in the recent update of the Housing Revenue Account business plan (Paper No. 18-419 elsewhere on this agenda) which confirms that based on the current estimates and assumptions all proposals remain financially viable. This will need to be kept under review throughout the life of the project to ensure continued viability. As stated in the business plan update the financing of the regeneration schemes, alongside other commitments in the Housing Revenue Account, will require significant levels of new borrowing over the next 10 years currently estimated at £495 million.
52. Part of the Council's commitment to the JV in relation to this scheme is to fund up to £150 million of the replacement affordable housing costs. This level of Council contribution is capped. The overall cost of the regeneration scheme has been included in the Housing Revenue Account business plan update and confirms viability but there is currently no formal approval for the Council to incur expenditure. It is now therefore recommended that the first £10 million of this £150 million be approved. This will require positive Housing Revenue Account capital budget variations of £1.5 million in 2018/19 and £8.5 million in 2019/20. Further capital bids will be included in the capital bids process on an annual basis.

EQUALITY IMPACT NEEDS ANALYSIS

53. 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 Equality Impact Needs Analyses (EINA) have been undertaken in November on the impact of the decision to develop the main scheme and to proceed with phase 0, Grant Road construction. These EINAs are attached as [Appendix 7 and 8](#) to this report. The main scheme EINA has found that there are 19 positive impacts, 1 negative and no neutral impacts and 7 negative temporary impacts, 2 positive temporary impacts and 1 neutral temporary impact. The mitigation plan is explained in the EINA. The Phase 0 EINA has found there are 12 positive impacts, 2 negative and 0 neutral impacts. There are 1 positive temporary impact, 4 negative temporary impacts and 3 neutral temporary impacts. The mitigation plan is explained in the EINA.

CONCLUSION

54. Since the creation of the Joint Venture the overall plans have been worked up in detail, in close co-operation with other stakeholders, agencies and the local community and the Joint Venture is now in a position to submit a hybrid planning application. Subject to approval of the application the JV can then proceed with construction of this substantial regeneration and improvement scheme. The plans for the first phase of the scheme have secured planning permission and a contractor is selected and ready to start on site.

Winstanley and York Road regeneration scheme update

Members are being asked to review the position at this key point and to give approval for this major step towards improving both estates and to commence construction of the first new Council housing, housing for sale and community facilities.

The Town Hall,
Wandsworth,
SW18 2PU.

BRIAN REILLY
Director of Housing and Regeneration

7th November 2018

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.