

WANDSWORTH BOROUGH COUNCIL

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
9TH JUNE 2015

EXECUTIVE – 15TH JUNE 2015

Report by the Director of Housing and Community Services on the regeneration and improvement project for the Winstanley/York Road SW11 (Latchmere) Estate

SUMMARY

This report provides an update on progress with development of improvement and regeneration plans for York Road and Winstanley Estates following Paper No. 15-8. The regeneration programme aims to provide new high quality housing for local residents of the estates and the borough, a greater housing choice for residents, a new high quality environment and neighbourhood which is safe, thriving and links effectively into the wider Battersea area incorporating new leisure facilities, a re-invigorated park, a new library and a range of community facilities to serve the area for generations to come.

Paper No. 15-8 agreed the approach to selecting a partner/s to work with the Council in the delivery of this scheme and the recommended outline legal and commercial structure under which the Council will seek to contract with any selected partners and agreement to commence the procurement process.

This report updates on progress with preparing for the procurement, addressing the matters which have arisen as a result of Department for Transport's (DfT) safeguarding of part of the Council's development site for the Crossrail 2 project, describes the actions that have been taken to allow for the safeguarding and ask for approval for actions which will allow the procurement and development process to proceed in the light of the safeguarding.

The report also explains progress on and decisions required to move forward with the refurbishment of Inkster and Penge Houses and makes further recommendations considered necessary to progress the scheme to ensure continued resident support and reassurance about the plans being developed.

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GLOSSARY

CHESS	Community Health Environment Scan Survey
CSOSC	Community Services Overview and Scrutiny Committee
CPO	Compulsory Purchase Order
DfT	Department for Transport
EIA	Equalities Impact Assessment
GF	General Fund
GLA	Greater London Authority
HCA	Housing and Communities Agency
HRA	Housing Revenue Account
JV	Joint Venture
OJEU	Official Journal of European Union
PPD	Planning Parameters Document
TfL	Transport for London

RECOMMENDATIONS

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 2.
2. The Executive is recommended to:-
 - (a) Endorse the revised Planning Parameters Document produced for the Winstanley and York Road regeneration scheme and the further developed and revised preferred option for development attached as Appendix 1. Note that the preferred option will form the basis of the scheme that the Council will have informed local residents and stakeholders, seek to secure a development partner;
 - (b) Approve the commencement of a public procurement process, advertised by a contract notice published in the Official Journal of the European Union (OJEU) following the competitive dialogue route, to select a development partner to work with the Council through a Joint Venture arrangement to deliver the Winstanley and York Road regeneration scheme. Note that the Bramlands area will only be included within the procurement process as a possible future development option;
 - (c) In light of the revised preferred option set out above delegate the development, approval and management of the public procurement process and of all the procurement and contractual documentation needed to be put in place for the joint venture arrangement to the Director of Housing and Community Services in consultation with the Director of Finance;
 - (d) Note and have regard to the relevant key powers for the decision to procure a partner contained within Appendix 4;

- (e) Subject to final public consultation, agree to proceed with the target design approach set out in paras 35-49 for the refurbishment of Penge House and Inkster House, subject to further structural investigations and financial appraisal.
- (f) Agree to the payment of compensation and disturbance costs to council tenants relocated early as set out in paragraph 55 and to the terms set out in the Winstanley and York Road secure tenants re-housing information booklet (October 2014).

BACKGROUND – WINSTANLEY AND YORK ROAD

- 3. In March 2012, the Executive agreed (Paper No. 12-218) an ambitious programme of work to improve the physical environment and to raise the aspirations and improve the life chances of those living in the most deprived areas of Latchmere and Roehampton and Putney Heath Wards. In October 2012 (Paper No. 12-645), the Executive agreed the shadow governance arrangements, terms of reference and an outcomes framework for the programme.
- 4. Reports to the Housing and Finance and Corporate Resources Overview and Scrutiny Committees and the Executive in November 2012 (Paper Nos. 12-679 and 12-680) presented findings from initial resident consultation that identified low satisfaction ratings for the general environment of the Winstanley and York Road Estates and with some residential blocks particularly on the York Road Estate. On this basis, the Executive agreed to select masterplanning teams to bring forward masterplans for both Winstanley and York Road and for the Alton Estate.
- 5. GVA and Levitt Bernstein were selected to produce a masterplan for the Winstanley and York Road Estates and commenced work in June 2013. Further progress reports were provided to the Housing and Finance and Corporate Resources Overview and Scrutiny Committees and the Executive in June (Paper No. 13-376) and to the Housing Overview and Scrutiny Committee and the Executive in November 2013 (Paper No. 13-703) as the plans developed and the scope of the regeneration was defined. Through this period the Council consulted widely on the plans with local residents and stakeholders to ensure that the plans were informed by such consultation and so that there was knowledge and understanding of the proposals.
- 6. Following an options assessment and consultation process with local stakeholders and residents, a report was presented to the Housing and Finance Corporate Resources Overview and Scrutiny Committees and Executive in March 2014 (Paper No. 14-158). The report endorsed the Preferred Option for development which had developed from the masterplan options process and set targets for the next stage of scheme development.

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7. A subsequent report in January 2015 (Paper No. 15-8), endorsed a Planning Parameters Document for the scheme and approved the commencement of a competitive public procurement process to be advertised by a contract notice published in the Official Journal of the European Union (OJEU) to select a development partner to work with the Council through a Joint Venture arrangement to deliver the Winstanley and York Road regeneration scheme. Since that time it has been further clarified that this would be a competitive dialogue procurement process. The report also agreed various other measures required in order to continue to progress the scheme including the voluntary acquisition of property within the regeneration area and set out commitments made by the Council to council tenants and leaseholders who might be affected by the plans.

CROSSRAIL 2 SAFEGUARDING

8. Since the endorsement of the preferred option and the agreement to commence procurement of the Winstanley and York Road opportunity the Department for Transport (DfT) has confirmed the safeguarding of the route and other land requirements for the TfL Crossrail 2 project which will include siting a new station for the line at Clapham Junction Station.
9. The progress of the Crossrail project is welcome news for the Clapham Junction area and will dovetail well with the existing plans that the Council has developed to improve the area and also Network Rail's intention to regenerate and improve the station more generally in the future. However, in the short term this has a significant impact on the Council's regeneration scheme as the proposed safeguarded area currently includes the majority of the Bramlands area as shown on the plan attached at [Appendix 2](#).
10. The Bramlands area was identified as an early phase development site that would assist in financing the regeneration of the whole area including the re-provision and supply of affordable housing. It has the highest projected values across the scheme and was envisaged as being able to provide (when developed) 300 plus residential units and around 10,000m² of commercial floorspace. In addition, the early transformation of this important gateway site was considered key in securing values across the area.
11. The early stage of development of the Crossrail 2 project means there is uncertainty surrounding the final implications of the safeguarding. The current position, however, is that TfL has reserved the right to use the majority of the Bramlands area as a worksite for Crossrail 2 (and a possible site for construction of a station entrance and vent shaft) for a significant period between 2020 and 2030.

Defining the safeguarding implications

12. TfL has recognised the serious implications created for the Council's scheme as a result of the safeguarding. In particular the degree of uncertainty this creates in the short term as to when this site will become available for development and the extent to which development will be possible during construction of Crossrail 2 and once their long term infrastructure requirements are in place. Through the GLA Housing Zone designation for the area, TfL and the GLA have agreed to work with the Council to accelerate the detailing of their proposals to generate more certainty around the development potential and timings for the Bramlands site. This work is ongoing to identify the precise requirements and timings for the worksite and the actual location and land take requirement for the work site, station entrance and vent shaft. This work is also addressing the long term requirements for bus services across the whole of the Housing Zone to improve connectivity, the need for bus standing and stopping to serve the station and also the need to relocate the current bus standing area given that it reduces the development potential of the sites near to Clapham Station.
13. TfL, GLA and the Council have agreed to produce a Memorandum of Understanding as to the detailed Crossrail 2 requirements for this site that is likely to include commitments as to the development of this site at the earliest opportunity and will settle the exact land and position of the safeguarded area. The agreed timetable for completing this work is September this year. The Council also intends to commence discussions with TfL as to the most appropriate mechanisms for agreeing compensation and land transfer requirements to enable this important infrastructure project to proceed whilst protecting the Council's interests.

SAFEGUARDING IMPLICATIONS FOR THE PROCUREMENT PROCESS AND THE PREFERRED OPTION

14. Despite these efforts to minimise the impact of the Crossrail 2 proposals there is an increased level of uncertainty and potential financial impact which the safe guarding will have on the Council's plans that needs to now be factored in. Should the Crossrail 2 scheme proceed, then development on the Bramlands site will be significantly delayed potentially beyond the end of the regeneration programme. There is also no guarantee as to the scope of development that will be possible until the scope and extent of the works for the Crossrail 2 scheme is determined. What is clear is that there will be considerable disruption in the local area for a substantial period of time.
15. Given what is likely to be an ongoing level of uncertainty as plans are developed and the risks that this presents it has been assessed that it would not be advisable to proceed with a procurement process that has the Bramlands area as an integral part of the delivery and financing plans for this regeneration. Any potential partners would be likely to significantly discount

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their consideration of the value of the Bramlands area to account for this risk and the Council would in all likelihood not secure the proper recognition of the value of this site or in turn be able to capture the benefits for local people and the local area of development of this area.

16. The Council could decide to delay procurement of the whole opportunity until the picture is clearer on whether Crossrail 2 will progress, its timescale and the full detail of infrastructure requirements for the site. However, despite TfL and Network Rail's commitment to take forward plans it is likely that development of plans, including securing financing, will take some time and that the timescales will not fit with those established to deliver much needed improvement to this area. Effectively the development of Crossrail 2 plans cannot stand in the way of the Council's commitment to improve its Council estates and their general environment and facilities for the better.
17. Given this is the preferred way forward and given the uncertainty this raises, the option is to proceed now with the procurement of a partner in a Joint Venture arrangement for the remainder of the York Road and Winstanley scheme but without the Bramlands area. However, the intention would be to ensure that there is sufficient flexibility embedded within the procurement and delivery process to ensure that if Crossrail 2 does not ultimately proceed, or the work/development site is adjusted/relocated or clarity is reached at an early stage as to the scope of development possible, then the Council could elect (at its discretion) to permit the preferred developer to develop proposals for Bramlands as part of its appointment. To facilitate this and ensure there is no risk from a procurement perspective, such matters would be resolved through, and would form part of, the formal procurement process.
18. However, as noted earlier the Bramlands development was a key early phase of the scheme, including significant levels of new development and the estimated highest values of the area providing financing for the regeneration of the Council's estates. In order to proceed without the Bramlands element the Council therefore needs to first ensure that the scheme remains a viable financial project particularly in meeting its commitments to local residents.

Re-visiting the preferred option

19. Paper No. 15-8 set out in detail the Council's objectives for the scheme and explained how these had been developed into a preferred option. In re-visiting the preferred option then the Council has re-assessed the phasing, design and financial implications of elements of the scheme without changing the fundamental objectives which underpinned it other than those which relate directly to early development of the Bramlands site.
20. In seeking to do this and to ensure that the preferred option continues to evolve and improve taking account of a range of factors including being successful in its bid for these regeneration estates to become part of a wider

Housing Zone, the Council has looked in particular at the potential for improved development along the York Road/York Gardens frontage. This has in part been driven and informed by emerging development proposals on the north side of York Road and along Lombard Road led by the development of an area spatial strategy for the York Road/Lombard Road area by the Council's Planning Service.

Riverside Lombard Road spatial strategy

21. In response to the growing number of development proposals coming forward for the York Road/Lombard Road area, the Council is preparing an area spatial strategy to ensure that development in this area comes forward in a strategic and sustainable way and a coherent approach is considered. The detail of the emerging strategy as a Strategic Planning Document is included in a report to the Community Services Overview and Scrutiny Committee (CSOSC) in this committee cycle.
22. The strategy identifies that development of higher densities than are currently present in the area are likely to come forward given the area's location and context. Whilst any plans must take account of the impact of development on local residents a reconfiguration of housing along the York Gardens frontage was believed needed for four key reasons. Firstly, the Council and design team were mindful that they did not want to create a barrier block of development that might be perceived to inhibit use of a reconfigured York Gardens. Second if there was allowance made for increasing the heights of buildings this could reduce the mass of the buildings proposed and in turn "open up" the York Gardens area further. Third, any treatment for instance that achieved these objectives would ensure that York Road itself did not become a less pleasant environment for those using the road. Fourthly, there is now the potential to reconfigure the delivery of residential and commercial floor space to increase the level of residential provided which will assist in maintaining the viability of the Council's regeneration plans.
23. Any revision of plans should retain the ground and first floor area to provide the Leisure Centre/Library/Community Centre building along this frontage in order to secure one of the key elements of the scheme. However, it is proposed that the lower density use of part of this site for the Thames Christian College and Battersea Baptist Chapel could be relocated elsewhere within the scheme. The removal of the Bramlands opportunity as an early phase of development has heightened the importance of the York Road frontage as a priority phase of the scheme not only to provide financing to delivery the project overall but to signal the Council's continuing commitment to delivery improvement to the area.
24. The revised option along this frontage presents an opportunity for development of more spaced but taller blocks creating more breaks on the

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ground floor and a more open and varied set of buildings. The revised preferred option report in [Appendix 1](#) illustrates how these changes could be accommodated.

25. The development of this frontage in this way increases the scope for housing along this frontage without compromising key objectives of the plan. It is estimated that an additional 150 homes could be provided in this part of the area taking account of revised plans and the possible relocation of the College and Baptist Church. The Council remains committed to providing alternative accommodation for these uses within the regeneration area.
26. The overall numbers of potential units will still be reduced by the Bramlands exclusion. However, the Council's commitment to re-providing the social rent units demolished (modelled to meet the identified housing need of existing residents) within the regeneration area is maintained. Any social rent housing provided on the identified satellite sites to assist with phasing the redevelopment process will be additional to this target. The commitment to providing existing resident leaseholders and freeholders with the offer to purchase a new property of the same or smaller size within the scheme on a shared equity basis also remains.
27. The adapted scheme has been tested through the financial model which the Council's commercial advisors, GVA have developed. The model demonstrates that, subject to the assumptions applied, this revised preferred option remains viable.
28. As identified in Paper No. 15-8, the preferred option is the proposed outline scheme which the Council will use as part of its suite of documents to tender for a partner to deliver the scheme. These are not definitive development proposals but provide the vision, objectives and framework for the long term development and improvement of the estates and provide the baseline against which the Council will assess proposals. The plans may be subject to change as that process, subsequent negotiations with partners and the detailed tasks of implementation and retaining financial viability, progress. However, these are the principles and key delivery objectives and commitments on which the Council will prepare its brief for selection of partners and take forward this development.
29. The previously prepared Planning Parameters Document has also been updated to take account of the safeguarding at Bramlands and the implications of it for the scheme. The revised PPD is attached at [Appendix 6](#).

Consultation on revised programme and preferred option

30. The revised plans will be exhibited for local residents of the estates and the local neighbourhood over the summer prior to formal commencement of any procurement programme. The Council will hold an exhibition in York Gardens

library on its revised plans for the York Gardens edge to coincide with the spatial strategy consultation, the details of which are set out in the report on the spatial strategy to the CSOSC. This will not only present the revised plans but also set out proposed design parameters for the development of this frontage and the core central regeneration area which will serve to maintain the standard and key principles of the new development over time and in particular the commitments made to local residents to deliver a successful neighbourhood and place.

PARTNER PROCUREMENT PROCESS

31. Paper No. 15-8 confirmed that the Council would commence a procurement process to select a development partner to participate in a Joint Venture Partnership in order to deliver the Winstanley and York Road regeneration scheme and to ensure that the Council and local residents would benefit from the development and improvement of this area. Given that public works are involved and the Council would wish to seek as wide a range of interest as possible, the advice from the Council's legal advisors is that this would need to be an OJEU compliant process which is likely to take in the region of 12 months. The decision to undertake this public procurement is taken under and informed by the powers and requirements contained within Appendix 4 to this report. Officers are satisfied that the Council has the authority to deliver this regeneration and has had and will continue to have proper regard to them. The attached plan also identifies the current scope of the potential regeneration planned by the Council and the extent of the Housing Zone which identifies other areas with the potential for development and improvement. See Appendix 5.
32. The Council will need to prepare a detailed suite of documents for the procurement, including a detailed brief that will include the Planning Parameters Document and the preferred option. This report recommends that this suite of documents is now prepared by Officers and approval of the final draft of the documents is delegated to the Director of Finance and Director of Housing and Community Services in consultation with Lead Members. Given the impact of the safeguarding proposals, the target date for commencement of the procurement process is October 2015 rather than as previously scheduled June 2015.
33. A Project Group of key Officers and a cross-party Steering Group of lead members has been set up to monitor and manage the delivery of the procurement process and the implementation of the regeneration programme going forward.
34. Pinsent Masons have been appointed to provide legal advice to the project and Grant Thornton to provide financial and tax advice. GVA have been appointed to provide commercial property advice and support through the

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procurement process with Levitt Bernstein providing the design support. Cost consultancy advice and project and programme management resource is currently being procured.

REFURBISHMENT OF INKSTER HOUSE AND PENGE HOUSE

35. Paper No. 14-158 recommended that the refurbishment of Inkster House and Penge House should proceed using the previously approved phase 1 funding already approved within the HRA capital programme.
36. Given the ambitious agenda for regeneration that has been set for the Winstanley and York Road area it was considered that it was a crucial starting point that the refurbishment and improvement of these blocks which includes the provision of additional homes set the standard for future change and demonstrate the Council's ambitions, commitment and intent.
37. The improved and refurbished blocks will stand as a beacon of change at what are important strategic positions at the entrance points to the regeneration area. Taking account of this context an initial options appraisal has been undertaken to understand the specification level and necessary ambition of the refurbishment project and understand the budget required to achieve these standards, in particular in relation to the external treatment and the treatment of the lower floors and entrance to the blocks and how this would complement and sit with the wider regeneration plans. This was undertaken by Levitt Bernstein, the masterplan architect, working with the Council's housing services.
38. The work aimed to identify an initial scheme design and options which would;
 - (i) fit with the impending regeneration proposals,
 - (ii) produce costed options which set out the potential costs of delivering improvement which met the ambition of the Council and of local residents and set a standard for the future regeneration; and
 - (iii) ensure that local residents were properly engaged in decisions about the future of their homes.

Towards a design solution for the refurbishment

39. Consultation was held with block residents to understand their issues about and vision for the block and consider them against value for money criteria. These sessions identified the following themes:
 - (i) All residents liked the size of the windows and the light but considered them heavy and potentially dangerous;
 - (ii) All residents would like an improved entrance area, increasing natural light that was not out of place with the new development;

- (iii) Improved security to the block, including additional security controlled entrance doors/lifts;
 - (iv) Improved lighting;
 - (v) Over cladding to be of a high quality finish to either match or complement the rest of the regenerated estate;
 - (vi) Concerns raised regarding cost of works to leaseholders and how such costs might be dealt with;
 - (vii) Better storage and bin facilities; and
 - (viii) Concerns raised over timeframe for work to be completed.
40. The residents highlighted elements of other schemes which they favoured which included the entrance to Castlemaine Tower, the external finishes to Weybridge Point and the newer private developments along Battersea Riverside. The feedback was adapted into practical design solutions to be considered by residents.

The proposed option

41. The suggested option that addresses these issues is shown at Appendix 3 and incorporates the following elements:
- (i) The base of the towers are improved and extended out to interact with the street pattern of the new development, creating a larger foot print with active frontages;
 - (ii) The new base contains a number of new homes, (2 existing Hidden Homes, to be replaced with 10 new properties for social rent);
 - (iii) The new base also contains new secure bike areas, improved refuse facilities, and increased security to a new lobby area;
 - (iv) Innovative roof transformation which utilises new green technologies;
 - (v) New double glazed windows to all properties and communal areas;
 - (vi) New high performance cladding, with improved thermal performance exceeding current building regulations, to the panelled external areas of the building which would require the replacement of windows;
 - (vii) Glazed lobby entrances providing brighter communal areas and increased security;
 - (viii) Vertical floor to ceiling windows to stairwells to improve security and natural light into the communal areas;
 - (ix) Internal communal areas lifted with high quality finishes throughout the buildings including stairwells, ceilings, lighting, lift lobbies and flooring.
42. For the external design approach new windows and cladding will be fitted in a combination of vertical and horizontal configurations as practical. Two columns of wintergardens (enclosed balconies) will if practical be added to each block to give more space and to improve amenity for residents of the blocks. In order to ensure delivery of this element the design report proposes that the wintergardens and cladding will be self supporting and attached to the building for placement rather than supported by the building. Technical

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Services Officers consider that the building should be sufficiently strong to allow this. The final combination of vertical and horizontal windows would be decided following more detailed surveys and a full understanding of the impact of the proposed internal improvements to flats.

43. This proposal has been assessed by Baily Garner (cost consultants) and the estimated cost is £13,849,000. The refurbishment will also include Decent Homes work within the flats for social tenants and the estimated cost of these works is £625,000. This gives a total estimated cost of £14,474,000.

Developing the proposal and further survey work

44. This is an initial design response proposal and costing using existing known information concerning the building and the professional expertise of the designers, cost consultants and Council Officers. Further investigative and structural surveys will be required to understand whether these proposals are deliverable and deliverable for the estimated costs outlined in this report.
45. Caution must then be exercised at this stage as to the final practicality and affordability of these designs until more survey work is completed to understand what can be delivered within the budget that might be identified to support this work. It is recommended that this further survey work is procured and undertaken as soon as is practical with a view to submitting the appropriate planning application and seeking approvals as required early in 2016.
46. Should the recommended design option not prove deliverable or value for money then it is recommended that an alternative external design option which re-clads the building including new windows but retaining a horizontal configuration and without wintergardens is taken forward. The further survey work will reveal whether the existing panels on which the new cladding will be hung can be retained whichever option is pursued and this may result in a cost saving.
47. If the recommended design approach is supported by the HROSC and approved by the Executive then the next step will be to inform residents of the preferred design approach explaining that this will be the target design approach for the scheme and making clear the caveats explained above concerning the need to conduct further survey work to check on practicality and cost before this approach can be confirmed.
48. The agreed design solution will be incorporated, into the brief to appoint a consultant to develop and take forward the scheme. This next stage of work would include testing design assumptions through full structural surveys, finalising costs, ensuring compatibility with the internal works required to flats, full programming of works, seeking planning permission and ultimately procurement and mobilisation of contractors.

49. The initial and target date for a start on site is by early 2017, with the project complete depending on the final scope of works by the end of 2018.

Leaseholder charges

50. Leaseholders were very active throughout the consultation sessions, and whilst mindful of their contribution to the costs were also very encouraging that the refurbishment be carried out to a high specification not least given the reasonable expectation that this would improve the value of leasehold properties in the blocks. The Council will need to assess what elements of the work are considered necessary to the maintenance and improvement of the block and what elements and works that could be in part or whole reasonably recharged to leaseholders. From the initial assessment of the preferred option there are clearly works which cannot be considered to be essential repairs necessary for the efficient maintenance, management and security of the block and that would be classed as improvements which could not be recharged.
51. Leaseholders would ordinarily be expected to be charged for:
- (i) Internal communal area decorations
 - (ii) Internal communal area flooring
 - (iii) Internal communal area lighting
 - (iv) New services if required after survey.
 - (v) Renewal of windows albeit that consideration would need to be given as to the extent to which leaseholders could be charged for this element given that windows may have to be changed if for instance the building was over clad which might not in itself be seen to be “necessary”.
52. Council Officers are mindful of providing clarity to leaseholders of what might or cannot be charged for as soon as possible and will keep leaseholders informed of the position as options are worked up and specifications developed over the next 12 months.

PHASING AND ENABLING THE REGENERATION SCHEME

53. In working to secure vacant possession for the first phase of the development, Paper No. 15-8 extended the criteria for buying the leasehold and freehold interests of those properties which would be affected by demolition as detailed in the preferred option. All owned residential properties have now been notified of this enhanced offer that includes compensation, which will allow voluntary purchase of properties by the council as detailed in the Leaseholders and Freeholders rehousing information booklet. Since offering enhanced terms there have been 29 requests for valuations from owners

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within the regeneration area. On 4 of these a price has been agreed and the cases are now with the legal team. Any dwellings purchased will be on the basis of vacant possession being given, with the property then utilised for a temporary accommodation use until it is demolished.

54. Paper No. 15-8, reported that the Housing Needs Survey had identified a number of tenants who would choose to move now for a variety of reasons, and that we would endeavour to assist certain priority exceptional case moves. This would include in particular those with vulnerabilities for whom the developing regeneration plans were causing them to become increasingly concerned and overly stressed.
55. Further analysis has identified a number of tenanted properties which would already have a transfer priority within the council's allocation scheme. This includes tenants who are under occupying their property, who have health needs which are not met adequately by their current accommodation, those who are severely overcrowded and those with a combination of these issues. In order to progress with the timely decant of properties for the first phase of development, the council will seek to assist those who would have a priority to move as identified by the council's allocation scheme and would henceforward pay compensation and disturbance costs to tenants moved, in line with the Winstanley and York Road Council Tenants Re-housing information booklet (October 2014). An element of this activity will be identifying properties that could be purchased in the local area or indeed in areas where council residents may wish to move (e.g. to receive care and assistance from relatives) to assist with decants. Clearly any purchase would need to meet value for money criteria and consider the benefit to the scheme overall of effectively providing a replacement social rent unit.

PROJECT OFFICE

56. Paper No. 13-376, noted the intention to create an estate site office for the project. With procurement due to commence and options for residents in terms of moves increasing it is considered that the requirement of residents for local and easy to access advice is likely to increase and that it would be worthwhile moving to preparing a site base. This would cater for providing local information but also for more regular open drop in sessions and events including dealing as required with particular management issues arising as the regeneration is taken forward.
57. Funding for a local base has been secured by the Economic Development Officer via the New Homes Bonus top slice submission which was agreed by the London Enterprise Panel (LEP) and the money is available to spend in 2015/16. The identified location is 10 Lavender Road on the local shopping parade facing Pennethorne Square. £90,000 has been secured as the maximum available funds to deliver this project. The conversion of the unit was tendered for price in 2013 and both returns came in just under £40,000. The scheme would require re-tendering, however, the previous returns give

some considerable comfort that the project can be delivered for a lower cost than the maximum budget. Set up costs will also be covered in the project budget and these are estimated at around £14,000 to cover support to facilitate the move, purchase equipment and meet initial operational requirements. Any money unspent from this allocation would be recycled back for use in the London Enterprise Panel programme. The estimated ongoing running costs are £11,000 per annum.

58. The front office is large enough to hold meetings of up to 20 people, which would accommodate small meetings with stakeholders and save on costs which are currently incurred through the hire of local venues. The back office could accommodate four desks and a desk behind the front counter.
59. It is anticipated that the office will be open at varied but set times including evenings and weekends by booked appointment. The office will only open when there are a minimum of two staff on site, it is anticipated that the office will be staffed as below:
- (i) The Project officer and project assistant will use 10 Lavender Road as their main office base.
 - (ii) The Area Housing manager for the Winstanley and York Road estate has committed to providing office staff for 3 days a week.
 - (iii) The leisure and sports services team are bidding for Sport England's Community Sport Activation fund, which will include provision of a project coordinator member of staff. The member of staff would work 21-36 hours per week, with a mix of evening and weekend work as well.

COMMENTS OF THE DIRECTOR OF FINANCE

60. A high level viability of the scheme has been undertaken to assess three different scenarios:-
- (i) The previous scheme position with Bramlands included and the Council funding the development of the off-sites and the new leisure facility;
 - (ii) An assessment of the implications of the Bramlands site not being available for development due to Crossrail 2; and
 - (iii) An assessment of the implications of revising the design approach along York Road in line with the emerging planning document for the York Road/Lombard Road area and increasing the density of development in this part of the scheme.
61. All three scenarios have then been tested against: the inclusion of the Hope Street site; the exclusion of the Hope Street site but the social housing units lost there replaced on the main development site; the exclusion of Hope Street site with the lost units not re-provided on the main site.

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62. The detailed outcome of this financial modelling is presented in Paper No. 15-197A elsewhere on this agenda as it contains information which is commercially sensitive concerning the Council's assumptions and commercial position in regards to the proposed regeneration scheme. The Council is about to commence a public procurement process and release of this information at this point could undermine the Council's commercial position in negotiations with bidders.
63. In summary, the figures indicate that the omission for the short to medium term of the Bramlands Close site adversely impacts the scheme to such an extent that additional value would need to be derived from the scheme to increase scheme viability to avoid increasing the call on HRA or General Fund capital. Accordingly, the proposal for higher densities along York Road is supported. Further, officers consider that the Council's previous commitment to social housing provision within the scheme should be retained and the loss of 84 social housing units is not considered acceptable. In order to deliver this outcome within the £100 million HRA borrowing headroom identified for borough wide regeneration, the use of the Hope Street site as a satellite site is therefore recommended. The small overall deficit that this proposed way forward generates is considered to be within an acceptable margin of error for a scheme of this size.
64. The current approved HRA capital programme includes a total of £7.1 million for the refurbishment of Inkster House and Penge House. The proposed scheme shown in [Appendix 3](#) is estimated to cost £14.74 million, which includes £625,000 of decent homes works within the tenanted units. Whilst total indicative costs are somewhat higher than previously allowed for, a higher cost is to be expected as the original budget is based on a lower historical cost base and the scheme now proposed goes much further than previously anticipated, delivering a high level of refurbishment including a net addition of eight social rented units in total across the two blocks. These new units will count towards the Council's overall social rent re-provision, thereby freeing up an equivalent number of units elsewhere within the scheme for private sale. The additional value generated by these private sale units, over and above the build costs of the eight units, is estimated to be around £0.7 million which will go some way towards funding the increased specification on the rest of Inkster/Penge. In addition, some costs will be recovered from leaseholders where appropriate as detailed in paragraph 51.
65. Further investigations need to be undertaken to ascertain whether the planned cladding and winter garden proposal is structurally viable and clearly there needs to be a more detailed costing of any option taken forward to ensure it delivers value for money for the Council, notwithstanding the aim to integrate the refurbishment of the two towers into the wider regeneration area.
66. The current approved HRA capital programme includes £36 million for the buying out of tenants and leaseholders over this regeneration scheme and the

Alton. The affordable housing update paper elsewhere on this agenda seeks authority to purchase a limited number of homes where there is a direct and significant financial benefit to facilitating the move of an existing council tenant which would cover the circumstances covered in paragraph 55. Any such purchase would still need to meet value for money criteria and consider the benefit to the scheme overall of effectively providing a replacement social rent unit.

67. The cost of establishing a project office on site will be met from the successful LEP bid. On going running costs will be met from existing budgets in the HRA and other relevant service areas in line with usage where appropriate.

CONCLUSIONS

68. In the main this report addresses matters arising from the Transport for London safeguarding proposals for the Bramlands area in order to make provision for the Crossrail 2 project.
69. While the recent progress in bringing forward the Crossrail 2 proposal is to be welcomed and will contribute to the regeneration of the area as has already been planned by the Council, there are short term impacts on the Council's plans as set out previously in Paper No. 15-8. This paper sets out the action that the Council has taken to address these issues to allow for the Crossrail 2 scheme to continue its development while ensuring that progress and momentum in the Winstanley and York Road regeneration project can be maintained including its overall viability in terms of the financial assessment, appraisal and delivery model developed by GVA.
70. The recommendations for the Penge and Inkster House refurbishment will allow for this important early project to proceed and set out a clear statement of the Council's intentions to transform this neighbourhood. Provision of existing council stock (and potentially the purchase of a small number of homes to assist with decants as well) to help with targeted and what might be considered more necessary decants will also assist in bringing forward plans and also assuage concerns arising amongst some council residents as to the improvements plans now being pursued.

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BRIAN REILLY
Director of Housing and Community Services

1st June 2015

Winstanley and York Road Regeneration

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 committee secretary (Thayyiba Shaah – 020 8871 6039; email tshaah@wandsworth.gov.uk) can supply if required.