

WANDSWORTH BOROUGH COUNCIL

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
17TH SEPTEMBER 2020

EXECUTIVE – 28TH SEPTEMBER 2020

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

SUMMARY

This report provides details of the latest position on the Alton estate regeneration proposals.

The Director of Resources comments are in paragraphs 38 to 40 of the report.

GLOSSARY

EINA	-	Equality Impact Needs Analysis
GLA	-	Greater London Authority
HRA	-	Housing Revenue Account
LPA	-	Local Planning Authority
MHCLG	-	Ministry of Housing, Communities and Local Government
MUGA	-	Multi-Use Games Area
PAC	-	Planning Applications Committee

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.
2. The Executive is recommended to:
 - (a) note the background to Redrow Homes Limited decision to withdraw from the scheme;
 - (b) confirm the Council's commitment to deliver the current masterplan proposals for the regeneration of the Alton estate;
 - (c) instruct officers to investigate the preferred procurement route to seek a new development partner;
 - (d) confirm the Council's commitment to build the 14 units proposed at Fontley Way; and

Alton regeneration update

- (e) approve the proposed direction of the Engagement Strategy outlined in paragraphs 18 to 30, to approve funding of up to a maximum of £50,000 to accelerate engagement activity and to note a full Engagement Strategy will be brought to the next meeting for consideration and approval.

INTRODUCTION

- 3. This report provides an update on the Alton regeneration scheme.

REDROW'S DEPARTURE

- 4. Redrow Homes Limited ("Redrow") were appointed as development partner for the Alton Estate Regeneration in June 2017 following a fully compliant EU procurement using the GLA London Development Panel. Redrow submitted a hybrid planning application for the masterplan in June 2019 (ref: 2019/2516) and submitted revisions to the scheme in response to comments from the public and the Greater London Authority in June 2020.
- 5. On 30th June 2020, Redrow issued a statement to the Stock Exchange which stated that *"Following a review of our divisional businesses, we have decided to scale-back our operations in London to focus on the Colindale Gardens development and continue to target the Group's future growth on the higher returning regional businesses and the Heritage product."*
- 6. A series of meetings were held with Redrow and in mid-July they confirmed that due to increasing costs, its view of the London market and the challenges and delays that the two-tier planning system in London presents that its Board no longer had an appetite for this scheme and, therefore, requested a negotiated exit from the Regeneration Agreement. A number of virtual meetings and an actual meeting took place between officers and Redrow to determine whether there was any scope to continue the agreement and to determine the best way forward in the event that Redrow were set on exiting the London market.
- 7. There is no ability for Redrow to unilaterally terminate the Regeneration Agreement at this point in time. However, in these circumstances it was considered the best option to ensure the delivery of the scheme was to seek to agree a negotiated exit rather than attempt to work with a potentially unwilling partner.
- 8. Faced with Redrow's loss of appetite for the scheme the Council was left with a difficult decision. Attempting to hold a potentially reluctant partner to its contract is not considered a feasible option and was likely to lead to delays to the scheme and, ultimately, in potential legal disputes. This is not considered to be in either parties' interest, or that of the residents impacted and clearly would not advance the regeneration of the area.
- 9. In a joint statement issued on 6th August, Redrow further and formally clarified its position and stated *"Following a review of our schemes in London and the wider market, we recently announced we will scale back operations in London. As part of this we have taken the difficult decision to step away from the redevelopment of the Alton Estate and approached the Council to request a managed exit. New home delivery in London is a challenge compounded by increasing costs and a two-tier planning system"*.

10. The proposed arrangements allows the Council to become the applicant and “owner” of the planning application to ensure momentum is maintained towards securing planning permission. It will also allow the Council the time to review options for delivery of the scheme.
11. Details of the terms of the termination of the agreements with Redrow are set out in the exempt report 20-245A. An update on the date of completion of the SO83(A) and the termination agreement itself will be provided verbally at the meeting.

PLANNING UPDATE

12. Redrow submitted a hybrid planning application for the masterplan proposals in June 2019. Additional design work was required in response to comments from the public and the Greater London Authority and these revisions were submitted in March 2020. As the proposal is supported by an Environmental Statement, there was a 30 day consultation period about these revisions. During the consultation it was confirmed that parts of the estate had become listed by Historic England as a Grade II Registered Park and Garden. This necessitated the submission of amendments to the Environmental Statement and a further 30 day consultation which ended on 7th August.
13. By taking over the application as applicant it becomes what is known as a Regulation 3 application (basically a Council planning application). The LPA has advised that this triggers a requirement for a further period of consultation which, for transparency should be a further 30 day advertisement period to commence once the Council as applicant provides a revised planning application form and confirmation that it continues to rely on the submitted documentation and plans. It is possible for the application to be considered by the Planning Applications Committee (PAC) within that period; further work remains to be done on the Section 106 Agreement as currently the heads of terms are not finalised or agreed, as the Council cannot enter into an agreement with itself then further consideration will be given to how the public benefits proposed by the scheme can be assured of future delivery through the planning process. Post PAC, subject of course to the recommendation and the outcome of meeting, if a positive resolution were to be achieved the application is caught by the statutory requirement to refer to the Mayor of London at Stage 2 where it could be called in for his consideration.

OFF-SITES

14. Bessborough Road is a site that will deliver ten homes (7 x three bed and 3 x two beds) to provide moves for tenants and resident leaseholders. Redrow will complete this scheme on the Council’s behalf and completion is expected in July 2021
15. Planning permission has also been submitted for 14 homes at Fontley Way (12 x three bed, 2 x four bed) and a decision is currently expected from PAC at its meeting on September 2020.
16. Redrow had been due to construct this block at Fontley Way but this will no longer be the case following their departure. Officers are looking at options for the scheme’s delivery but it seems likely it will be delivered on a similar basis as other schemes with the Council’s wider Housing for All programme (i.e. with a contractor being

Alton regeneration update

appointed following competition and the scheme being managed from within the Housing and Regeneration Directorate).

17. Minstead Gardens sheltered bungalows were part of the arrangement with Redrow but were outside the masterplan planning application as listed building consent was also required. Other options might need to be explored given Redrow's departure.

COMMUNITY ENGAGEMENT

18. In March 2020, a paper was submitted to the Roehampton Partnership seeking views on future engagement arrangements relating to the regeneration. Officers had looked at best practice elsewhere and considered there was scope to apply some of this to the Alton.
19. The purpose of the review was stated as to "*ensure that the best possible engagement processes are in place for the residents and stakeholders affected by the Alton Estate regeneration*"
20. The paper also identified some key themes from best practice elsewhere, namely: -
 - (a) putting affected residents at the heart of engagement;
 - (b) good resident engagement and representation during the construction phase so the impact of development can be managed well;
 - (c) providing space for residents to give their views generally (as opposed to set-piece consultation events on specific issues); and
 - (d) the role of social interaction in engagement – i.e. there are benefits of people getting together regardless of whether there is anything regeneration related to consult on or discuss.
21. All members of the Roehampton Partnership were asked for their comments as were other local stakeholders and groups.
22. The initial deadline for comments of 17th April was extended and reminders sent confirming an extension until 15th May.
23. A total of 17 responses were received – either in writing or via telephone calls or virtual meetings. The key issues that emerged are: -
 - (a) engagement must be regular, sustained and ongoing over the duration of the Regeneration programme;
 - (b) communication should be multi-channel and two-way;
 - (c) consideration must be given to those who lack the means or knowledge to participate digitally, to avoid exclusion of these groups;
 - (d) formal meeting environments can be intimidating, be dominated by local pressure groups, and exclude those who feel more comfortable participating in more social surroundings or smaller, casual activities;
 - (e) the importance of empowering local residents to take control, giving them the platforms and confidence to voice their views;
 - (f) events entitled 'consultations' are off-putting for many people and fail to engage with a large and varied number of people;
 - (g) the importance of reaching out to existing groups and individuals in spaces and at times that are convenient to them, rather than expecting them to go out of their way to participate;

Alton regeneration update

- (h) encourage participation by offering activities where attendees can reap tangible - and ideally long-term - benefits, including skills and knowledge;
 - (i) develop a coordinated approach and share resources with other local organisations;
 - (j) shared spaces and inclusive activities should be used to foster local neighbourly networks and encourage cross-generational interactions;
 - (k) there is a strong local interest in environmental themes, particularly those relating to recycling / upcycling, nature, and celebrating the vast green spaces unique to the Roehampton area;
 - (l) an acknowledgement of the local groups that already exist and the value of "joining or enhancing the conversation rather than starting it";
 - (m) an acknowledgement of the local talent that already exists and providing support to encourage it to develop and thrive;
 - (n) the importance of fostering trust and familiarity with the community and being open and transparent;
 - (o) proactively working with the local community to implement change, to dispel the perception of enforcing change on the community;
 - (p) a consideration of how to interact safely with the most vulnerable or elderly in society in light of the COVID-19 pandemic and encourage people who may be reticent to re-engage, thereby preventing loneliness, isolation or demotivation in these groups;
 - (q) the importance of actively targeting groups who are traditionally more difficult to engage with, such as 50-70 year olds ('younger older people') or those in the 16-23 year old age group ('older young people'); and
 - (r) the popularity of arts projects and music amongst those of all ages.
24. The Roehampton Partnership considered a report on this issue at its meeting on 10th September 2020 and its feedback will be reported verbally at the meeting.
25. The key themes which emerged from the responses to the paper are: -
- (a) a greater emphasis on grassroots engagement and a move away from formal meeting / consultation type events;
 - (b) greater support for community led initiatives;
 - (c) increased interaction and support for existing community groups;
 - (d) focusing activities around environmental themes including recycling and the outdoors; and
 - (e) encouraging involvement from those traditionally less likely to interact or who may face obstacles.
26. It is felt the themes identified through this consultation are consistent with the themes identified from best practice elsewhere (paragraph 20 above).
27. 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.
28. A revised engagement strategy based on the key themes that have emerged from this consultation should enable existing community spirit to be harnessed and encourage the widest spectrum of the community to celebrate the Alton Estate's many positive features thereby improving community cohesion and boosting the

Alton regeneration update

wellbeing of all residents.

29. A greater emphasis on supporting community-focused initiatives, particularly involving groups who may struggle to reconvene their activity following the COVID-19 pandemic or who are traditionally less likely to participate, and engaging directly with existing community groups, will enable the Council to better understand and support the interests of various groups.
30. The approach will be monitored and adapted as required to ensure that the strategy is inclusive, accessible and successfully mitigates any negative impacts on protected groups.
31. If the direction of the approach to engagement and associated funding is approved, officers will develop a detailed engagement strategy to be considered by the next meeting of this Committee in November.
32. Officers have been in discussion with many local groups as part of the review of engagement one of whom is Roehampton Sheds (formerly known as Men's Sheds). The group is supported by Age UK Wandsworth and its current premises are too small to safely operate. The group works predominantly with older people and its activities include upcycling donated furniture for local charities and repairs in the community. Proposals have been developed to convert the vacant shop unit at 5 Portswood Place into a temporary wood-work studio which will allow Roehampton Sheds to recommence their sessions safely and quickly.
33. The upgrade the Witley Point Multi Use Games Area (MUGA) is expected to be completed in September 2020. In developing the proposals for the site there was a number of engagement events with groups of young people at the Roehampton Base (Alton Estate), the Chelsea Kicks community football group (Ashburton Estate) and at Heathmere School with pupils from Year 6. Each group was asked to discuss the proposals and to make recommendations to improve the designs, including suggesting ways to make the site accessible to different age groups. Groups were also asked to build a model of what they would like to see using polystyrene, modelling clay and card. A consultation also took place on the MUGA with local residents.
34. Subject to the decision of the Committee, a regeneration update newsletter will be issued this month to both residents on the estate and the wider community – typically a circulation of 4,500 households.

RESIDENTS' OFFER

35. If the recommendation to maintain commitment to delivering the current masterplan is agreed it is felt reasonable to maintain the Council's existing commitments to residents in terms of offering early moves for those tenants who want them and also to continue to acquire residential properties from those willing to sell.

KEY CHALLENGES

36. The impact of the COVID-19 pandemic on the housing market is unclear but any significant fall in values will have an impact on possible partners' appetite for this scheme. A soft market testing exercise will be undertaken to test potential bidders' views of the scheme, value and planning and other risks. This will help inform

possible next steps and procurement route.

37. In such a challenging market, securing a satisfactory planning permission is fundamental to securing an alternative development partner to ensure delivery of the scheme.

COMMENTS OF THE DIRECTOR OF RESOURCES

38. The Director of Resources comments that the decision by Redrow to withdraw and seek a negotiated exit from the Agreement is clearly disappointing. To try and maintain the momentum the Council is committing to the delivery of the current proposals and will test the market regarding the future delivery options. Due to this it is clearly expected that there will be a delay to this regeneration scheme. The provision within the HRA Business Plan, subject to a report elsewhere on this agenda (Paper No. 20-246), is based on the existing total net scheme costs (£105 million) albeit with a slight timing lag built in, but these could be subject to significant change depending on the outcome of the future procurement exercise. These assumptions will need to be revised based on best estimates in advance of the next review of the HRA Business Plan. The proposed revised cashflows for both the Fontley Way and Bessborough Road schemes are included in the aforementioned paper for approval elsewhere on this agenda. It is expected that these schemes will still be delivered within these approved budgets although it is anticipated that there could be a delay especially considering that the Fontley Way scheme is yet to have the planning application considered.
39. The terms of the negotiated exit are commercially sensitive and are therefore contained within the exempt report (Paper No. 20-245A) elsewhere on this agenda.
40. The proposed funding for the Engagement Strategy will be met from existing approved budgets for the Regeneration Scheme Team and Support Costs.

SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)

41. An Energy Strategy has been submitted with the planning application for the scheme. The Strategy has been formulated following the London Plan energy hierarchy: Be Lean, Be Clean and Be Green, which seeks to balance a number of key elements including CO2 emissions, affordability of heat, climate change adaptation and the provision of high quality buildings. In line with the GLA's Energy Assessment Guidance the strategy has been developed using SAP 10 carbon emissions factors.
42. Energy efficiency measures including air source heat pumps as a primary generation source, enhanced insulation and energy efficient lighting in all homes will ensure that the residential and non-residential elements of the development both achieve the respective 10 per cent and 15 per cent targets from energy efficiency measures, as set out in policy S12 of the New London Plan.
43. A low carbon heat network will be developed for the site with the majority (60 per cent) of the total heat generation being delivered by air source heat pumps. Individual gas boilers will deliver peak and back up supply (40 per cent). Furthermore, Photovoltaic (PV) panels will be installed on the roofs of all new

Alton regeneration update

buildings within the development.

44. Taking all these measures together, the energy strategy ensures that the Alton regeneration scheme will meet the New London Plan and Wandsworth's planning policy requirement of a minimum reduction in regulated CO2 emissions of 35 per cent.

CONCLUSION

45. Redrow's departure is clearly disappointing but work on the planning application is at a very advanced stage which presents an opportunity for the Council to take an assignment of the application to ensure momentum is maintained. Officers intend to test the market to see whether there remains interest in the scheme. Subject to this, the intention is to report back to this Committee in November with recommendations about the actions required to start procurement to find a replacement development partner.

The Town Hall,
Wandsworth,
SW18 2PU.

BRIAN REILLY
Director of Housing and Regeneration

8th September 2020

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 Manager (Ms Thayyiba Shaah – tel: 020 8871 6039; email thayyiba.shaah@richmondandwandsworth.gov.uk) can supply it if required.