

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
26TH NOVEMBER 2020EXECUTIVE – 7TH DECEMBER 2020Report 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 and provides a series of recommendations to ensure the scheme progresses.

The Director of Resources comments are in paragraphs 107-109 of the report.

GLOSSARY

CD	-	Competitive Dialogue
CPN	-	Competitive Procedure with Negotiation
EINA	-	Equality Impact Needs Analysis
GLA	-	Greater London Authority
FVA	-	Financial Viability Assessment
HRA	-	Housing Revenue Account
LPA	-	Local Planning Authority
MHCLG	-	The Ministry of Housing, Communities and Local Government
MUGA	-	Multi-Use Games Area
OJEU	-	Office Journal of the European Union
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 work undertaken since the last Committee;
 - (b) authorise the Director of Housing and Regeneration to negotiate terms for and enter into a Unilateral Undertaking with the Local Planning Authority to ensure planning permission can be issued;
 - (c) agree that the proposed procurement route to select a new development

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partner will be by Competitive Dialogue for the reasons detailed in paragraphs 28 – 40 and note that a decision of the proposed contractual model (being either a development agreement or a joint venture) will be brought to the next meeting of this Committee in January 2021;

- (d) agree that detailed design work commences on Block A, associated enabling works and Alton Activity Centre in advance of the planning permission being issued to maintain momentum;
- (e) note that the estimated costs of Block A, associated enabling works and Alton Activity Centre, an outline programme and any budget and other approvals required will be brought to the next Committee cycle in January/ February to enable a decision to be made as to whether to commence these works in advance of the appointment of a development partner;
- (f) approve the Community Engagement Strategy attached at Appendix B, noting that it supersedes the Roehampton Partnership's role in community engagement, and;
- (g) subject to (f) above approve the dissolution of the Roehampton Partnership;
- (h) agree the lump sum payment system for tenants' reasonable reinstatement, as detailed in paragraphs 95-101; and
- (i) agree that the offer to resident owners (as detailed in paras 102-106) be based on a shared ownership model but with nil rent and interest on the Council's retained share.

INTRODUCTION

- 3. This report provides an update on the Alton regeneration scheme and makes a series of recommendations about progressing the scheme.
- 4. At its meeting on 17th September 2020 this Committee recommended a number of approvals to the Executive (Paper No. 20-245) relating to the Alton regeneration. The recommendations relevant to this report were confirmation that the Council commits to the current masterplan proposals, the instruction to officers to explore options to secure a new development partner and approval to the direction of the proposed Engagement Strategy.

PLANNING POSITION

- 5. The Council (as landowner) took an assignment of the planning application (ref 2019/2516) on 14th September 2020, which coincided with the completion of the termination agreement with Redrow Homes Limited.
- 6. On 22nd October 2020 the Planning Applications Committee (PAC) approved the planning application subject to finalising detailed terms for a s.106 Agreement, completion of a Unilateral Undertaking to bind any future development partner to the s106 Agreement and agreement of conditions.
- 7. The application is referable to the Greater London Authority. Officers from both the

Local Planning Authority (LPA) and the Regeneration Team have met with GLA officers twice since the Council became applicant – once before PAC with a follow up meeting earlier this month. The Council has committed to work constructively with the GLA with a view to meeting any reasonable concerns and to ensure a positive decision from the GLA at the earliest possible opportunity.

THE SCHEME

8. Plans showing the masterplan proposals and details of Block A are attached at [Appendix A](#) and, by way of context, a further description of the scheme and its headline benefits is summarised below.

Affordable housing

9. The table below shows the level and tenure mix of affordable housing proposed within the main masterplan area.

	Proposed	Existing	Net increase	% net increase
Social rent (on site)	201	158	43	27.2%
Shared equity (on site)	29	0	29	
Shared ownership	31	0	31	
Totals	261	158	103	65.2%
	Total units	Affordable		
Total units (on site)	1108	261	23.56%	

10. There are also 24 units being provided at two satellite sites at Bessborough Road and Fontley Way to provide decant units for residents within the regeneration area. The table below shows the total number of affordable units with the inclusion of these sites.

	Proposed	Existing	Net increase	% net increase
Social rent	214	162	52	32.1%
Shared equity	40	0	40	
Shared ownership	31	0	31	
Totals	285	162	123	75.9%
	Total units	Affordable		
Total units	1132	285	25.18%	

11. The preferred measure for assessing affordable housing percentages is by habitable room. The percentage of affordable housing by habitable room in the masterplan area is 27.7% and increases to 29.4% when the satellite sites are included.
12. The current level of affordable floorspace in the intervention area will increase from 11,330 sq m to 21,201 sq m – an increase of 9,871 sq m (87.1%).

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13. There are currently 27 households within the regeneration area who are or will be classed as overcrowded at the dates of their expected moves – these proposals will address this need and ensure that all households have homes that meet their assessed need. There is currently only one unit in the regeneration area with more than three bedrooms. The detailed element of these proposals and Fontley Way will deliver 21 x 4 bed units.

Affordable housing and viability

14. It is considered useful to briefly summarise how viability is dealt with by the LPA and GLA. All estate regeneration schemes are required under the draft London Plan to follow a 'Viability Tested Route' to planning permission in order to maximise the amount of affordable housing to be provided. This approach recognises the unique challenges of regeneration and that fixed target percentages that apply to other public land may not be appropriate for regeneration schemes.
15. The Council (as applicants) and the LPA have both employed their own viability assessors to compete and agree a Financial Viability Assessment (FVA). The PAC report of 22nd October 2020 noted: -

The FVA has been comprehensively assessed by the Local Planning Authority's independent advisors Carter Jonas. After extensive dialogue, the respective assessors have agreed the inputs into the FVA, and concluded the scheme is in deficit by £73.7m. Carter Jonas concludes the scheme cannot provide any additional affordable housing units above the current offer of 24% and advises as follows: -

"The Internal Rate of Return is 6%, which is below the normal market threshold we would expect for a scheme of this scale of 12-15%. Whilst, the residual land value position of £3.57m is significantly below the Benchmark Land Value of £77.27m, which gives the impression that the scheme is not deliverable, the results should be viewed in the wider context of the Council's long term liability of managing and maintaining the existing estate for the next 20-30 years. Moreover, the level of deficit is expected for a housing estate renewal project of this scale, given the high existing use value of the property on the site and the costs to acquire this property that forms the overall Benchmark Land Value. This approach follows the guidance within the NPPF/PPG and the Mayoral SPG."

16. The GLA will wish to review the viability inputs agreed as a matter of course and these discussions have commenced.
17. Both the GLA and LPA will require that viability is reviewed during the life of the project and this are likely to be towards the middle of the scheme and towards the end. In the event of these reviews showing the scheme has a surplus in the future then this will trigger a requirement to deliver either additional on-site affordable housing or an equivalent cash contribution.
18. The Council as landowner and housing authority supports this process and would welcome additional affordable housing being delivered by this mechanism. It will work positively with the LPA and GLA to ensure the FVA and reviews are reasonable and fit for purpose. The Council will ensure through its procurement of a new

development partner that the contract will not allow any reduction in the level of affordable housing to be provided.

19. In the event that the viability review mechanism opens the possibility of additional affordable housing the Council would positively explore the scope for grant funding from the GLA to enable delivery of additional affordable homes.
20. The scheme meets the GLA's requirements to replace and ideally increase the level of affordable space with an increase of 9,871 sq m (87.1%). This is possible due to the considerable financial investment of £105m the Council has committed to the scheme.

Open space, play and public realm

21. The level of open space will increase from 83,460 sq m to 88,349 sq m – a net increase of 4,889 sq m.
22. The table below shows the scheme proposals also exceed the requirements for play space set out in the relevant planning policies

	Requirement (sq m)	Provision (sq m)
Doorstep Play (0-4years)	532	1,170
Local Play (5-11 years)	346	648
All Ages Play (12-17 years)	113	425
	991	2,243

Trees

23. There are currently 518 trees within the masterplan area and whilst 160 of these will be lost a further 733 will be planted. This represents an increase in trees from 518 to 1,091 – an increase of 573 trees (110% increase). Following responses to the first planning consultation, an additional 29 trees on Harbridge Avenue were retained.

Community, retail and business space

24. The scheme will deliver wide range of replacement and new community facilities as follows: -
 - Block A - multi-purpose community building including a new library, health facilities, youth facilities and a community hall
 - A new community hub at Portswood Place including a Nursery and Children's Centre, a shared community hall, a replacement club room for older residents and community uses
 - Replacement meeting/clubroom for elderly residents in Minstead Gardens
 - Community space at Portswood Place
25. The scheme will also offer new retail and commercial space: -
 - New and replacement retail and business space including a food store and

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- other retail units in the Roehampton Local Centre and at Portwood Place
- Flexible commercial units (A12-A3, A5, B1 and D1)
- Flexible office space

26. The masterplan will deliver a small uplift in the *quantity* of commercial, business and community floorspace and a significant improvement in the *quality* of facilities.

Use	Floorspace sq ms GIA		
	Existing	Proposed	Net
Office (A2, B1)	426	704	278
Retail (A1, A3-A5)	2,830	2,830	0
Community (D1)	6,083*	5,368	-715
Flexible Commercial (A1-A3, A5, B1 and D1)		475	475
Total	9,339	9,377	38

* 3,737 sqm in use

27. Existing community facilities are typically provided from outdated and inefficient buildings. The scheme offers the chance for a step-change in the quality of retail, workspace, educational and community facilities to serve the Alton estate and the wider community. The Council has made a clear commitment to engage with the community and service users on the new retail and community units. As landlord, the Council will continue to exert high levels of control and management of these facilities to ensure they meet the needs of the local community, ensuring the continuity of services and ongoing community engagement.

PROCUREMENT OF A NEW DEVELOPMENT PARTNER

28. Officers have been working with the Council's legal and property advisers (Pinsent Masons and Montagu Evans respectively) to review options for the procurement of a new development partner. This has covered both the procurement route and the form of arrangement to be entered into with a new partner.

Procurement route

29. The options open to the Council entail versions of what is currently known as OJEU procurement – basically a structured procurement route for public sector works exceeding £4.733m. After the Brexit transition period the procurement process will no longer be "OJEU" but is expected to follow a similar process. Indeed, assuming that the procurement is advertised to the market post 11 pm on 31 December 2020, it will still be subject to the Public Contracts Regulations 2015, albeit that these will be in an amended form to take account of limited Brexit amendments (including the requirement to publish all notices on Find a Tender in place of the Official Journal).
30. The Council should however remain mindful of any further changes to procurement law as and when implemented following 31 December 2020. For completeness, if the process were to commence in 2020, the entire procurement process would remain subject to the Public Contract Regulations 2015 as they are at present.

Procurement options considered

31. Given the need to engage with the market, two procurement routes have been considered: 1. Competitive Dialogue ("CD"); and 2. Competitive Procedure with Negotiation ("CPN").

32. Both procedures would enable the Council to engage with the market, but at different stages of the procurement process. In CD, this would be way of "dialogue" with prospective bidders and with the CPN this would be in the form of "negotiation".
33. The fundamental difference between the two routes is the timing of the formal tender submission, in other words, when a bidder submits their tender for the contract. Under CD, the Council would have the ability to talk to the market *before* a bidder submits the formal tender in order to clarify and discuss any details of the procurement. Whereas under CPN, the tender is submitted prior to discussion with the market and talks with bidders *follow* in the form of negotiations to improve the tenders i.e. in CD, the Council would discuss requirements first and invite tenders thereafter, whereas in CPN the Council would invite tenders first and thereafter discuss those tenders.
34. Whilst in practice both procedures can be operated similarly, the CD route could best align with the Council's needs for the scheme because at this stage, there remain a number of areas where the Council considers that it is unable to fully specify its requirements at the outset and/or where it considers that doing so may militate against innovative offerings by the market.
35. CD would allow the Council to engage with the market at an earlier stage of the procurement process than CPN in order to develop specific solutions to deliver the project prior to the formal tender submission. The Council is not in a position to formulate its requirements in a manner which would allow bidders to submit fully priced tenders at the start of the process. This position aligns better with CD.
36. For the avoidance of doubt, Pinsent Masons has advised that the above applies regardless of whether a Joint Venture or development agreement is used.

Indicative timescales

37. The market average duration for both CD and CPN procedures appears to be 1-2 years from advertisement to contract award. Pinsent Masons has advised that it has recently completed two major CD processes both with around a one-year duration.
38. If the preferred route of CD is to be adopted, provided that the dialogue phase can be managed effectively, a one-year duration seems achievable. Assuming advertisement in Jan/Feb 2021 this would enable at least preferred bidder to have been identified in early 2022.
39. If CPN is adopted then perhaps a shorter duration is possible, however, the duration will be driven by the extent to which the Council could specify its requirements at the outset. If it is unable to do so, the duration of the CPN process is likely to mirror the CD process.
40. The report recommends that the Competitive Dialogue route is adopted – this is based on the advice from Pinsent Masons, the Council's requirements for the scheme and officers' experience of CD on other schemes (most notably Winstanley-York Road and the Atheldene schemes)
41. Based on a review of options and advice from Pinsent Masons and Montagu Evans the options for contractual arrangements have been narrowed to two – one being a development agreement and the other being formal joint venture arrangement.

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42. Each has its advantages and disadvantages and they offer slightly different options in terms of level of control, risk and financial implications. Further work is being undertaken to refine a comparison of the options and further soft market testing will be undertaken to understand the market's view. A recommendation on the preferred option will be brought to the January 2021 meeting of this Committee.
43. The procurement timescales may differ slightly depending on whether the development agreement or joint venture route is adopted but typically the procurement process to the point of a preferred bidder being selected takes 12 months. Assuming procurement commences in February 2021 a preferred bidder should be selected in early 2022.

BLOCK A AND OTHER ENABLING WORKS

44. Block A sits at the entrance to the estate (see plans within [Appendix A](#)). The site currently contains the former Western Area Housing Office, Metropolitan Police base, Roehampton Youth Club and Roehampton Youth Club Supporters Club (all vacant). It also included 1-29 Danebury Avenue which houses one secure tenant.
45. Block A will deliver 40 Council homes as well as the replacement library, youth facilities, community hall and health centre for two, separate GP practices. The housing unit and tenure mix for the block is as follows: -

Tenure	2 bed	3 bed	4 bed
Social rent	16	14	5
Shared equity	3	2	0
	19	16	5

46. Block A forms part of the first phase of construction and will deliver 53% of the total of 75 Council homes within that phase (the other 35 homes being provided in Block O). The first phase will facilitate the decant of Allbrook House, Harbridge Avenue (evens), Kingsclere Close and 31-115 Danebury Avenue. Once the satellite sites are delivered (which would be in advance of Block A being completed) the demand for resident decant is as follows: -

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total
Secure tenants (social rent)	6	23	32	19	1	81
Shared equity	2	5	26	0	0	33
Total	8	28	58	19	1	114

47. Block A is able meet 70% of 2 bed social rent demand, 44% of 3 bed social rent demand and 26% of 4 bed social rent demand. It also delivers 4 x 3 bed accessible units, for which there is no known demand from within the regeneration area, so all four will pass to the Physical Disabilities Queue for allocation. In terms of shared equity demand it delivers 60% of the 2-bed demand and 8% of the 3-bed demand.
48. Overall, the 36 units available for allocations for residents in the regeneration area will meet 32% of the total demand for remaining secure tenants and resident owners.
49. Block A can meet most of the demand from Allbrook House and one option might be

to prioritise its allocation to residents to both accelerate their moves and ensure the disruption that is likely to be caused when Block O commences is minimised.

50. Any detailed changes to the allocations policy will require tenant consultation with the results being brought to this Committee for consideration and approval.
51. Further work is required to establish the precise costs of the Council bringing forward Block A and its associated enabling works and this report recommends this be explored further – together with investigating bringing forward early works to the Alton Activity Centre.
52. If a decision is taken for the Council to deliver Block A itself, it would enable earlier decant and moves for residents which could accelerate the wider regeneration period.
53. In addition to the benefits for residents' moves, it would also bring forward the delivery of key community facilities by way of a new library, community hall youth facilities and GPs practice. It would be a very public display of the Council's commitment to the scheme and the people of Alton in terms of maintaining momentum once planning permission is granted.
54. A report will be brought forward to the January 2021 meeting of this committee setting out the costs, risks and benefits of accelerating Block A and other works with a recommendation as to whether proceed with some or all these works as an early Council-led phase.
55. In order to create the potential to maintain momentum with Block A (and other works), it is considered reasonable to commence the next stage of design and other preparatory work in advance of any January 2021 decision to proceed.

COMMUNITY ENGAGEMENT STRATEGY

56. In September 2020, following a comprehensive review of community engagement, the Housing and Regeneration Overview and Scrutiny Committee approved a recommendation for a revised approach to be pursued and that a full Community Engagement Strategy ("the Strategy") to be developed. The proposed Strategy is attached as Appendix B.
57. The Council has always had a strong commitment to community engagement in its regeneration projects and more widely, and the Strategy is the evolution of this approach as the scheme moves from the "planning" stage (which often requires very formal consultation and engagement processes) to the "delivery" phase.
58. The key themes that emerged from the review, and which have informed the development of a Strategy are summarised as follows: -
 - 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

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consult on or discuss

59. In seeking to identify what good, effective community engagement will look like for the Alton regeneration scheme, the Strategy must first identify and define what it is seeking to achieve.
60. The regeneration masterplan seeks to preserve and enhance the unique qualities of the Alton Estate as well as improving buildings and facilities for the benefit of the community. In alignment with these objectives and the key themes set out above, the Strategy sets out a clear vision: -
- “To harness existing community spirit, encourage people of all ages to celebrate the Alton Estate’s many positive features, improve community cohesion and boost wellbeing. We want to involve local people throughout the development of Alton Green, to ensure it is well used, appreciated, enjoyed and respected.”*
61. Several key objectives of the Strategy have been identified in line with this vision and in response to the stakeholder consultation exercise: -
- (a) work collaboratively with other council departments to ensure our engagement activities are aligned to identified priorities to support the health and wellbeing needs of local communities;
 - (b) focus activities around environmental themes including recycling and the outdoors;
 - (c) support a programme of inspiring and engaging creative activities, involving existing cultural groups and creative individuals;
 - (d) move away from formal consultation events and meetings to focus on grassroots engagement, where the benefits of participation are clear;
 - (e) encourage and provide greater support for community-led initiatives and activities;
 - (f) increase interaction with, and support for, existing community groups;
 - (g) help to develop existing local skills, interests and talents;
 - (h) encourage the involvement of those who are traditionally less likely to interact, or who may face obstacles; and
 - (i) draw inspiration from the calendar of national events and initiatives, so that local events reflect national and global priorities.
62. The Strategy further sets out four key principles which will guide the approach to all aspects of community engagement, these are that the approach will be: -
- **Inclusive** – focusing on engagement being accessible to all
 - **Collaborative** – focusing on establishing and promoting partnerships with the community, existing organisations and other council departments
 - **Responsive** – focusing on working with and responding to the community
 - **Meaningful** – focusing on local interests and priorities
63. A recent review of the health and care needs of Wandsworth residents by Public Health arranges the needs of the population and potential methods of addressing those needs into four main categories. In keeping with these findings, the Strategy proposes that engagement activities and events are categorised in the same way: -
- **Place** – focusing on the Alton Estate and its surroundings, including nature,

- landscape and the physical community
- **Start Well** – focusing on activities tailored towards young people, with an emphasis on learning
 - **Live Well** – focusing on improving health and wellbeing
 - **Age Well** – focusing on older people
64. By categorising events and activities in this way it ensures that the overall vision of celebrating the qualities of the estate whilst ensuring that engagement is accessible and meaningful to all is realised. The Strategy makes a number of proposals for activities and events which could be implemented as part of a more detailed engagement programme.
65. An initial action plan has been developed and will be further developed with the community, ensuring that planned activities, events and opportunities for involvement meet the key themes set out in paragraph 58.
66. Ward members have an important local role in the delivery of the Strategy and reflecting the interests of the residents of the estate.
67. Work has already started in collaboration with Age UK Wandsworth and Roehampton Shed to convert a vacant shop unit at 5 Portswood Place into a temporary wood-work studio which will give Roehampton Shed more space to recommence its sessions safely and re-establish this vital social activity more quickly.
68. A planning application has been submitted for the change of use of the premises from a takeaway, to allow Roehampton Shed's proposed use. There will also be the opportunity to collaborate with other locals of all ages on community-led projects to enhance outdoor spaces on the estate and connect residents with nature, including the building of planters and hedgehog homes.
69. 6 Portswood Place has been allocated for meanwhile arts/cultural uses and was occupied last year by a local resident to launch the pilot pop-up gallery of her Ubuntu Museum. The Nude Gallery featured a collection of stories and objects addressing the issues of diversity and inclusion in everyday medical, educational and commercial items and the impact of them having been historically made to match lighter skin tones. The exhibition which ran from October to December 2019 engaged visitors with guided tours, exhibition trails, workshops and children's story time and provided a space for open conversations, the exchange of ideas, creativity and learning. The exhibition was well-received by hundreds of visitors including local families, schools and individuals.
70. These meanwhile uses will provide community benefits and also increase activity at Portswood Place.
71. The upgrade to the Witley Point Multi Use Games Area (MUGA) was completed in September 2020 and a socially distanced opening event was attended by the Mayor of Wandsworth and children from Heathmere School. The children were invited to try out the new play facilities which include an inground trampoline, monkey bars, and slides. They also painted a new graffiti wall, constructed a bug hotel to encourage wildlife and contributed to the new planting in the area by planting daffodil bulbs. The children from the Heathmere School, along with those from Roehampton Base and Chelsea Kicks played a vital role in designing the new facility, by making

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recommendations on the proposals and creating their own designs out of polystyrene and modelling clay.

72. In lieu of the annual Winter Festival, plans are being made for alternative festive activities with the local community. Virtual craft workshops will be held with local schools and community groups involving all ages, and arrangements are being made to install and illuminate a tree at Danebury Avenue.

ROEHAMPTON PARTNERSHIP

73. Given the stage the scheme has reached and the proposed changes to engagement, it feels timely to review the role of the Roehampton Partnership (“the Partnership”). A copy of its constitution is attached at Appendix C.

74. Although the Partnership meeting on 18th March 2020 was cancelled due to restrictions arising from the COVID-19 pandemic, the agenda papers were issued. Comments were specifically sought from Partnership members about a paper relating to a review of the engagement arrangements for the Alton Estate regeneration. The paper reviewed best practice from other regeneration projects and referenced the Council’s own Resident Participation and Engagement Strategy.

75. 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”.

76. 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.*

77. All members of the Partnership were asked for their comments as were other local stakeholders and groups. The initial deadline for comments of 17th April was extended and reminders sent confirming a subsequent extension until 15th May. One response was received from a Partnership member.

78. The proposals for the Strategy were considered by the Partnership at its meeting on 10th September 2020. There was broad support and no member disagreed with the proposals.

79. The Partnership was established in February 2002 as an Outside Body in the words of the Committee report at that time to *“provide a vehicle for consultation and the development of neighbourhood renewal activities in the area”.*

80. The Partnership’s current aims and objectives are: -

The Roehampton Partnership (called ‘the Partnership’ in the paragraphs which follow) is a formally constituted partnership comprising members of the private,

public, voluntary and community sectors. The Partnership is established and supported by Wandsworth Borough Council. The purpose of the Partnership is to engage key stakeholders in the community in advising the Council on the development and delivery of regeneration and other development programmes aimed at making Roehampton a better place to live and work.

Specifically, the Partnership's objectives are to: -

- a. Provide a forum for consultation to support and enable the long-term regeneration of Roehampton, using the collective skills and experience of its membership and by reflecting local needs and priorities.*
- b. Provide strategic advice to organisations/agencies which are engaged in the planning, development and delivery of activities to support social, economic and infrastructure development in Roehampton.*
- c. Support consultation with and engagement of residents and other local stakeholders on the development and delivery of regeneration activities, and ensure that issues emerging from consultation and engagement inform the Partnership's advisory role.*

81. The Partnership's formal committee-style approach is considered outdated. From the consultation on the Strategy there was no support for formal round table meetings and that is also the experience of best practice elsewhere.
82. In the event that the Strategy is approved, it is considered the Roehampton Partnership's current role will be superseded by the Strategy.
83. The Partnership's current membership comprises seven public sector representatives (five from the Council), 11 community and voluntary sector representative and three business sector representatives. It is proposed that, initially, individual discussions will be offered to understand how they wish to be involved within the new engagement arrangements and ensure their local knowledge and experience remains available to support the local community.
84. The nature of the Partnership's meetings and its size means that it is rarely possible for individual members to discuss their particular issues in depth. These revised proposals will ensure that organisations can engage with the Council and the community in tailored way and ensure greater and more meaningful involvement.
85. It is recognised that ward members have a role and responsibility as locally elected representatives. On the Winstanley-York Road regeneration officers provide ward members with regular briefings which provides a confidential space for issues to be raised with a collaborative approach to resolving resident and member concerns.
86. It is considered that replicating this approach on the Alton would have considerable benefits to ward members and officers and, ultimately, the local community. These discussions would cover ward members role in the wider Strategy.

YOUTH SERVICE - COMMENTS OF THE DIRECTOR OF CHILDRENS' SERVICES

87. Whilst Youth Services are not within this Committee's remit, it is recognised they play a vital part in supporting young people in and around the estate and forms an

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important part of the social regeneration. The Youth Service has worked closely with the Regeneration Team in the development of those elements that support youth work – in particular the community building at Block A and the Alton Activity Centre (but also the recently completed MUGA at Witley Point)

88. Councils have a statutory duty to “secure, so far as is reasonably practicable, sufficient provision of educational and recreational leisure-time activities for young people” and to make sure young people have a say in the local offer. This is often referred to as the ‘youth services duty’. Wandsworth has a range of Youth Provision and although there has been some necessary consolidation of the Council’s services in recent years, a thriving and effective voluntary sector is also in place, alongside a comprehensive, extra-curricular offer from Secondary Schools.
89. Many of these vulnerable young people do not make use of traditional youth club environments and may also be missing from education or incurring high levels of absence and will require a proactive outreach approach if they are to be engaged. This will require skilled youth practitioners, using intelligence from partners agencies such as police, schools etc. making contact with these young people on the streets or wherever they congregate. It will not be sufficient to simply await their arrival in a youth club.
90. Childrens Services will be tailoring their approach to the delivery of Youth and Adolescent Services to these needs and this will be subject to reports to the Education and Childrens Services Overview & Scrutiny Committee.
91. More emphasis will be placed on proactive outreach work so that youth work is available and delivered on the streets, in parks and open spaces as necessary.
92. The Youth Services reliance on and use of buildings will need to adapt to reflect this outreach approach which means that the traditional youth club has a far lesser role. Buildings can be expensive to run and maintain and divert money that could otherwise be spent on frontline services.
93. The youth facilities to be provided by the regeneration will fully support the future delivery of services to young people and adolescents and is consistent with the direction of service delivery. The fact that the new facilities are smaller than the old ones is not considered relevant when assessing the quality and range of the services that need to be delivered.
94. Young people have been engaged in the development of the proposed youth facilities and the fact they will continued to be engaged as the proposals are developed is hugely welcomed.

RESIDENTS’ OFFER - STANDARDISED DISTURBANCE PAYMENTS

95. In October 2014, the Council published its offer to the secure tenants of the Alton Estate. The offer advised that each secure tenant who had held their tenancy for 12 months, and was moving into a newly built home as part of the regeneration, would be entitled to the statutory Home Loss Payment, (minus any monies owed to the Council) as well as disturbance payments to meet incurred costs of moving home. Disturbance payments are not subject to deductions for monies owed to the Council. The offer also provided that the new homes would come with fitted with floorings, blinds and white goods.

96. Feedback from tenants on Winstanley-York Road estates (whose first moves to the first new built block is expected early in the new year) identified that residents would find it helpful to be provided funds in advance of their moves to allow them to pick their own items, to order in advance and control more of the process themselves.
97. The disturbance payment would be considered to meet the commitment of the below items: -
- (a) provision and professional connection of all white goods;
 - (b) disconnection/reconnection of light fittings etc.;
 - (c) redirection of mail for all of the adult household for three months;
 - (d) costs incurred for changes to contracts for television/internet;
 - (e) further window coverings/alterations if desired; and
 - (f) administrative costs of changes to driving licence/s, insurance details and similar.
98. Removal costs are covered separately as these are met by the Council utilising its existing removal contractors.
99. Based on the feedback from residents, it is recommended that advance disturbance payments should be offered to qualifying secure tenants on the Alton estate on the same basis as Winstanley-York Road as set out below.

Bed size	Advanced payment
One	£1,700
Two	£2,000
Three	£2,250
Four upwards	£2,500

100. Payments would be made when tenants sign their new tenancy, anticipated to be approximately six weeks before their move in date. The total payment would be considered to be full payment to the tenants in relation to their disturbance claim for costs incurred.
101. This approach and the payment levels were approved for Winstanley-York Road tenants via Paper No. 20-244 and the proposals in this report ensure a consistent approach is adopted across both estate regeneration schemes.

RESIDENT OWNERS' OFFER (ALTON AND WINSTANLEY-YORK ROAD)

102. The Council has a clear Residents Offer for resident owners on both the Alton and the Winstanley-York Road estates, designed to allow those who wish to remain to acquire replacement homes within the regeneration areas.
103. The Residents Offer sets out terms on which this may happen, and states that resident owners will be *“able to purchase a new development property, with an equivalent number of bedrooms, on an ‘equity share’ basis. The development will be phased so those selling their property to the Council will be able to buy and move into their new home immediately, without spending time in interim accommodation”*. i.e. in essence the same “one move” policy that secure tenants enjoy.
104. To participate in the offer, residents need to apply the market value of their existing property towards the price of buying the new, higher value property, in the scheme.

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Residents can opt to retain their 10% Home Loss Payment (which is 10% of market value) or use it to increase their equity in the new property. If residents are unable to afford to purchase a greater share of the new property or buy it outright, the Council will (in the words of the Residents' Offer) "hold on to the portion residents cannot buy". No rent or interest will be charged on the Council's share.

105. The Council needs to formalise the legal structure of these offers. Officers have researched what other Councils are doing in similar circumstances and taken financial and legal advice. The conclusion reached that the model that best balances both residents and the Council's needs is one that is technically shared ownership in that the Council formally retains its share of the property but charges no rent or interest on its share. To that extent it has similar characteristics to shared equity – however, as it is technically shared ownership it is more accurate to describe the offer being made as "equity share".
106. Comments on the legal financial basis for this offer are set out in the legal section of this report and the report formally recommends that this is the basis of the offer for resident owners who wish to replacement homes within the Alton and Winstanley-York Road regeneration schemes.

COMMENTS OF THE DIRECTOR OF RESOURCES

107. The Director of Resources comments that the Housing Revenue Account (HRA) Business Plan (as approved in September 2020) continues to contain provision for the Alton regeneration scheme based on the existing total net scheme costs (£105 million). It is currently anticipated that the overall costs may end up exceeding the provision made once the future direction has been crystallised and the procurement route and delivery options are agreed.
108. Funding implications of the revised approach to the project (including the options for Block A) will be subjected to detailed review and will form part of the next report back to Committee in January 2021. Any additional capital bids required will be brought forward for approval as part of the January 2021 exercise. The HRA business plan assumptions will need to be revised based on the best cash flow estimates made available in advance of the next review of the HRA Business Plan which will also be January 2021 should timings allow.
109. With regards to the Shared Ownership lease arrangements legal advice has confirmed that these will be accounted for within the HRA. The arrangements mean that the HRA will forego a capital receipt on initial sale but as the Council continues to retain part ownership in the property, will realise this value at some point in the future depending on whether the owner chooses to staircase up the level of their ownership or ultimately when the property is sold. There will be no rent or interest paid on the share the Council retains which may reduce the incentive for the leaseholder to staircase up.

LEGAL COMMENTS

110. As stated in the Residents' Offer section above, the Equity Share arrangements in fact comprise a shared ownership lease product. Typically described as "part rent, part buy", this usually involves the leaseholder buying a proportion of the lease and paying a capital sum and paying rent on the unowned proportion. The Council is empowered under the Housing Act 1985 to grant shared ownership leases on land

held for the purposes of Part II of the Housing Act 1985, subject to the consent of the Secretary of State. The General Housing Consent 2013, paragraph A3.3.3 includes consent to disposal of an unoccupied dwelling to person, subject to restrictions on the amount of any discount. In the case of a shared ownership lease, paragraphs A3.5.1 and A3.5.2 of the General Housing Consent specify how any discount is to be applied in respect of the premium (but not otherwise).

111. The statutory definition of a shared ownership lease does not mention payment of rent or mandate any rental levels. Shared ownership leases are one of the "Help To Buy" products championed by Homes England, whose Capital Funding Guide mandates an upper ceiling on the rent that may be charged but explicitly states that rents may be lower than this. Therefore, there are no legislative or policy fetters on the approach of charging nil rent.
112. The public commitment that has been made to resident owners at the Alton and Winstanley-York Road estates has been that an 'equity share' basis of ownership would be available. This offer has not explicitly set out how this would work legally, and indeed the Residents' Offer refers to the Council retaining ownership of a proportion of the new home. A shared ownership lease would in substance meet the description set out in the Residents' Offer and is thus consistent with previous communications to residents.
113. In considering the appropriateness of offering the "nil rent shared ownership" lease to returning leaseholders the Council must have regard to the usual public law considerations including its general fiduciary duty to local taxpayers as a whole (not favouring a specific group); and whether in all the circumstances it is reasonable to do so. The Council's retention of the "unowned proportion" gives it a valuable share in the dwelling in question and will also create for it a share of the uplift in value of the unit over time, which is a relevant consideration in balancing these matters.
114. On the basis of the foregoing comments it is considered that the creation of a product for returning leaseholders at the Alton and Winstanley-York Road estates comprising a shared ownership lease with nil rent payable on the unowned proportion is lawful.

SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)

115. An Energy Strategy was 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.
116. 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.
117. A low carbon heat network will be developed for the site with the majority (60 per

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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 buildings within the development.

118. 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.
119. The Energy Strategy seeks to maximise the level of reduction in on-site carbon emissions in accordance with planning policy requirements. The updated energy report demonstrates that the zero carbon target cannot be met on site. It also demonstrates that the level of on-site carbon reduction has been maximised and the 35% minimum reduction on site as laid out in the GLA guidance and the Intend to Publish London Plan on preparing energy assessments has been met including the fabric efficiency targets. Both residential and non-residential aspects will also achieve a standard of Zero Carbon throughout offsetting contributions.
120. The Sustainability Statement states, “a minimum of ‘BREEAM Excellent’ will be achieved for all non-residential element of the development.” A commitment to achieving ‘BREEAM Outstanding’ has been agreed with the applicant.
121. The last available data from 2017/18, prior to the introduction of a new IT system, shows the Council’s average EPC rating across its managed stock is C (SAP rating 69 – 80). It is expected that the majority of new homes will achieve a higher SAP rating likely to lead to EPC ratings B. This will both reduce CO2 emissions and fuel costs for residents.

CONCLUSION

122. The Planning Applications Committee decision on 22nd October 2020 represents a significant milestone for the regeneration project. Whilst GLA Stage 2 approval is required, initial feedback from GLA officers is positive and there are relatively few issues to be resolved (mainly around the detailed terms of the s.106 agreement and verifying the viability assumptions agreed with the LPA).
123. Whilst there is clearly market uncertainty, initial feedback from the soft market testing suggests there is interest in the scheme, but concerns were raised about whether and when planning permission could be secured. Securing the GLA Stage 2 approval in the early part of next year – either at the start or during the commencement of the procurement process – would provide significant confidence to the market and is likely to increase interest.

The Town Hall,
Wandsworth,
SW18 2PU.

BRIAN REILLY
Director of Housing and Regeneration

17th November 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.