

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –  
14TH SEPTEMBER 2021Update report by the Director of Housing and Regeneration on the Alton Estate  
Regeneration (Roehampton and Putney Heath)SUMMARY

The Committee receives update reports on the regeneration schemes twice a year. This report provides a general update on the scheme and in particular on the planning application and negotiations with the Greater London Authority and progress with the Community Engagement Strategy.

The Director of Resources comments that the Housing Revenue Account Business Plan continues to include provision for the delivery of the Alton regeneration scheme based on the existing estimated costs. The total approved investment by Council is currently set at £105 million.

GLOSSARY

GLA	-	Greater London Authority
FR&CSOSC	-	Finance, Resources and Climate Sustainability Overview and Scrutiny Committee
FVA	-	Financial Viability Assessment
JV	-	Joint Venture
LPA	-	Local Planning Authority
PAC	-	Planning Applications Committee
WYR	-	Winstanley & York Road estates regeneration

**RECOMMENDATIONS**

1. This report is submitted to the Housing and Regeneration Overview and Scrutiny Committee for information. No decisions are required on it by the Council, the Executive or the regulatory and other Committees. However, if the Overview and Scrutiny Committee decide that recommendations on the report need to be made, these will be reported to the Executive or the regulatory and other Committees for consideration.

**INTRODUCTION**

2. This report provides an update on the Alton regeneration scheme. At its meeting on 11th February 2021 this Committee recommended a number of approvals to the Executive (Paper No. 21-45) relating to the Alton regeneration. The recommendations relevant to this report are set out below: -

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- a. *Note the previous decision to procure a development partner via the Competitive Dialogue route and agree that the delivery model for the regeneration be via a corporate joint venture for the reasons set out in [the report];*
- b. *Note that procurement will not commence until the Stage 2 approval has been received from the Greater London Authority for the reasons set out in [the report]*

**PLANNING UPDATE**

**NB All references in this report to “the Council” are as landowner/applicant as distinct from the Local Planning Authority**

3. The Council 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.
4. 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. The form of the s.106 Agreement was substantially agreed with the Local Planning Authority (LPA) in March 2021 and submitted to the Greater London Authority (GLA) for review.
5. The application is referable to the Greater London Authority who will decide whether it will allow the LPA to determine the application itself.
6. In the conclusion of the report to the February 2021 meeting of this Committee officers commented. *“At the time of writing the GLA’s overall position on the application is unknown and will not become clearer until the terms of the s.106 agreement are settled with the LPA and the GLA has reviewed them. Whilst a position on viability has been agreed with the LPA, the GLA’s formal position has raised significant new issues of principle and approach that had not been raised in similar discussions in late autumn on WYR”.*
7. Whilst the GLA has only made limited comments on the form of the s.106 Agreement itself (which the Council considers to be capable of satisfactory resolution), it has not been possible to agree the Financial Viability Assessment (FVA). The new issues of principle and approach referred to above have not been resolved and, in fact, the GLA has raised additional issues around the treatment of the Council’s investment in the scheme that have meant it has not proved possible to get close to agreeing the FVA.
8. Without financial investment by the Council, the Alton regeneration could not proceed because it would not meet the London Plan policy requirement to replace and maximise affordable housing. However, the Alton Estate regeneration is a long-held aspiration of the Council (first formally articulated in the Alton Area Masterplan published in October 2014, and subsequently translated into planning policy in the Roehampton SPD adopted in October 2015). Accordingly, as an investor in the Borough, the Council has made a decision to invest financial resources in the scheme in order to increase the proposed level of affordable housing to 24%, which far exceeds the maximum level based on viability in planning policy.

9. The Council recognises that the scheme could clearly not come forward without any affordable housing as this would not satisfy the policy requirement to (as a minimum) replace existing affordable housing. This demonstrates that it is the Council's investment, together with its willingness to proceed in spite of a large planning viability deficit, that has enabled the offer of 24% to be made.
10. It is the Council's view that its investment should be treated as an investment like any other planning applicant may be required to make on the basis that it is not possible to obtain 100% debt finance for development. The Council has decided to invest in the Alton scheme over other investment opportunities available to it. That investment decision is no different in conceptual terms to a property investor putting funds into a private development scheme, and there is no justification for treating the Council's investment differently in financial terms. In other words, it should be treated as a finance cost in the usual way rather than as additional revenue. Accordingly, this investment is not grant funding or public subsidy. There are two principal points in support of this position.
11. Firstly, the Council expects a return on its investment through the Joint Venture (JV) (in addition to the freehold of the affordable housing units in respect of which there is already a receipt contained within the FVA).
12. Secondly, the Council's investment in the scheme is already baked into the current offer of 24% affordable housing, which distinguishes it in policy terms from grant or public subsidy.
13. The Council has received clear advice that its stance on the FVA is correct and it wrote to the GLA on 31<sup>st</sup> August setting out its position and inviting a response from the GLA no later than 13<sup>th</sup> September. A verbal update will be provided to the Committee.

## **PROCUREMENT**

14. The preparatory work required to commence the procurement to appoint a new development partner has been completed but this cannot commence until the application has cleared the GLA's Stage 2 process and the Mayor confirms he is content for the LPA to determine the application.

## **BESSBOROUGH ROAD AND FONTLEY WAY**

15. Bessborough Road and Fontley Way were identified as two satellite sites that could provide homes for residents within the intervention area to allow for early moves.
16. Bessborough Road is due for completion during September 2021 and will deliver ten homes (7 x three bed and 3 x two beds). Six homes will be let at secure rents, of which five have been offered to existing secure tenants within the intervention area. The remaining secure tenant home is fully wheelchair accessible and has been adapted to meet the needs of a family who currently live elsewhere on the Alton Estate. Four homes will be sold on an equity share basis to existing leaseholders within the intervention area and negotiations are ongoing with those that have expressed an interest in this block.
17. Planning permission was obtained for 14 homes at Fontley Way (12 x three bed, 2 x

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four bed) in September 2020. Construction works are expected to commence in January 2022 with an estimated completion date in August 2023.

**COMMUNITY ENGAGEMENT UPDATE**

18. In November 2020 the Executive approved the adoption of a revised Community Engagement Strategy for the Alton Regeneration, focusing on a more “grass roots” approach to community engagement.
19. To support the work required with the local community to implement the strategy a post within the team was re-designated to focus on the engagement strategy and an internal appointment was made in March 2021.
20. The Council, through the Regeneration Team, has organised a number of community events and projects during the second part of this year, aimed at a broad range of ages and interest groups. These have included dance, theatre and sewing workshops, an art and sound installation, musical theatre for the over 60’s, gardening and planting projects and celebrations to mark the 60th Anniversary of the Downshire Field Bull statue.
21. A number of projects and events have also been arranged in partnership with Roehampton University, to build on the sense of community between the University and the Estate. One such project was Alt Vibes!, a collaborative initiative run jointly between the University and the Council to arrange a series of free on-line performances featuring members of the London Samba School and World Heartbeat Music Academy. The event was filmed in part on the Alton Estate and broadcast on the University’s YouTube channel, to entertain and promote well-being during the lockdown period.
22. Further collaborative projects include dance and performance on the estate and a scavenger hunt in the University grounds.
23. In June 2020 The University of Roehampton submitted a bid to the GLA as part of “Designing London’s Recovery” for funding a collaborative initiative in Roehampton, which will seek to create spaces within the community for people to come together to share and learn skills, experiences and interests. This will be achieved by working with currently active resident-led groups and organizations, making use of existing community venues, outdoor spaces and pop-up architectures using recycled industrial materials. The Council is a key partner in this initiative and will sit alongside the University, a specialist architectural team and the Royal Horticultural Society on a steering group to lead and develop the project.
24. As a prominent member of the Roehampton Response Network (set up in 2020 in the wake of the Covid 19 Pandemic), the Council has played a key role in helping to support the Roehampton Community through this challenging period.
25. One initiative which has evolved from this is Roehampton Community Week; a week of events to celebrate Roehampton, conceived, led and delivered by the Roehampton Community itself from 5th – 11th July.
26. The Council played a crucial role in supporting Roehampton Community Week, from sitting on the steering group to help develop the plans, to organising several of the projects and assisting with many of the events during the week.

27. Opportunities for meanwhile use continue to evolve and in addition to several arts and cultural events being held in 6 Portswood Place, including dance workshops, recycled art projects led by the Ubuntu Museum and sewing workshops led by the Ahmadiyya Community, unit 5 has now been fully refurbished as a workshop to enable the Roehampton Shed to recommence activities in the area.
28. Additionally, opportunities for meanwhile use in other areas are being explored, including otherwise disused outdoor areas on the estate. One such area on Harbridge Avenue has been the focus of a “mini makeover” in response to feedback from local residents that they wanted to see a more inviting area for families to enjoy. The Regeneration Team has organised re-painting of a wall, installation of planters and playground games to transform the area into a colourful and exciting space.
29. Another area that has benefitted from improvements is around the old Coop Block on Danebury Avenue. In collaboration with Estate Art, a local art organisation, and as part of Roehampton Community Week, The Council funded and organised hoarding around the building to provide the backdrop to a pop-up art gallery, “Panel of Art”. Local artists and schools have upcycled waste panels from a major works window renewal scheme on the estate into works of art, which has transformed the area from an eyesore into a bright and vibrant focal point at the entrance to the estate.
30. The response to the gallery has been incredibly positive with many residents and local stakeholders welcoming such a valuable transformation of an otherwise unused space. Further engagement is being undertaken with local residents to build on this further and explore new and innovative ways to better utilise other parts of this area for the benefit of the community.

### **COMMENTS OF THE DIRECTOR OF RESOURCES**

31. The Director of Resources comments that the Housing Revenue Account Business Plan (Paper No. 21-246 elsewhere on this agenda) continues to include provision for the delivery of the Alton regeneration scheme based on the existing estimated costs. The total approved investment by the Council is currently set at £105 million. This will need to be reviewed once the procurement exercise establishes a preferred route and delivery partner.

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

32. 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.
33. 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.
34. 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 panels will be installed on the roofs of all new buildings within the development.

35. 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.
36. 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.
37. 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.

**CONCLUSION**

38. The Council is only able to commence the procurement for a new development partner if and when the GLA's Stage 2 decision confirms it is content for the LPA to determine the planning application. The delay in reaching this point is causing ongoing uncertainty to both residents and prospective development partners.
39. Officers are confident that the Council's position on the FVA is correct and if the GLA were to engage on this matter in a constructive and cooperative manner the issue could be resolved quickly. As things stand, however, an early resolution appears unlikely. It is therefore recommended that officers explore whether there are other options that may be available to resolve this impasse.
40. Since adopting a revised Community Engagement Strategy good progress has been made in engaging with the community using different settings and activities. A full update of the year's progress together with the Community Engagement Strategy Action Plan will be reported to the next meeting of this Committee.

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3rd September 2021

**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](http://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](mailto:tshaah@wandsworth.gov.uk)) can supply if required.