

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
9TH JUNE 2015EXECUTIVE – 15TH JUNE 2015

Report by the Director of Housing and Community Services updating on proposed Council led development of housing land to provide affordable housing and to bring forward for consideration four “satellite” sites for decant accommodation for Winstanley and York Road (Latchmere) residents

SUMMARY

This report provides an update on progress of the fifteen Council owned sites that have been identified as suitable for Council led development subject to legal and financial due diligence, and resident consultation to provide an estimated 140 homes for low cost rent housing.

The report details the next steps to progress four Council owned sites, identified for potential development, to provide residential units for Council residents of the Winstanley and York Road estates who will require decant accommodation as part of the regeneration proposals for these estates. It also seeks approval to submit funding applications to the GLA for one of the sites and if terms can be agreed to enter into a formal Grant Delivery Agreement with the GLA pursuant to this.

The Director of Finance comments that the Housing Revenue Account capital budget for the schemes already approved totals £14.9 million which will deliver a total of 88 new affordable units. For the remaining 9 schemes, including the 4 proposed satellite sites, as the schemes develop financial appraisals will have to be undertaken to confirm that self build is still a viable option. This may include the use of RTB 1-4-1 receipts or Section 106 offsite affordable housing contributions insofar as this is available or, for Hope Street, external grant funding if it is in the Councils best interests to do so. Once viability is confirmed HRA capital bids will need to be included in the relevant HRA capital bids process for approval by the Executive.

GLOSSARY

EU	-	European Union
GLA	-	Greater London Authority
HRA	-	Housing Revenue Account
PAG	-	Procurement Advisory Group
RTB	-	Right to Buy

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RECOMMENDATIONS

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3 of this report.
2. If the Housing and Regeneration Overview and Scrutiny Committee approve any views, comments or additional recommendations on this report these will be submitted to the Executive for consideration.
3. The Executive are recommended to:-
 - (a) agree that the proposed redevelopment of the lower ground area of William Harvey House (West Hill) is not progressed for the reasons stated in paragraph 19 of this report.
 - (b) authorise, the Director of Housing and Community Services, in liaison with the Director of Finance, to submit a bid to the GLA for funding from the GLA's 2015-2018 Affordable Homes Programme to assist in developing affordable housing units on the Hope Street Site, for decant purposes. This will be subject to agreeing terms and it being considered financially advantageous to the Council to enter into such an agreement as detailed in paragraphs 57-59 of this report
 - (c) subject to paragraph 3(b) Authorise the Director of Housing and Community Services to enter into a Framework Delivery Grant Agreement with the GLA as part of the requirement to secure GLA grant funding;
 - (d) Subject to paragraph 3(b) authorise the Borough Solicitor to provide a Letter of Opinion to the GLA in the required form, to confirm that the Council will be liable to the GLA for any inaccuracy, and to approve the Council granting an express indemnity to the Borough Solicitor in relation to the Letter of Opinion regarding the GLA's Framework Delivery Grant Agreement, for the reasons stated in paragraph 60 of this report.

Three Council Development Sites in the Nine Elms and Vauxhall Opportunity Area

4. In September 2013, for the three sites identified in Table One below, the Executive approved (Paper No. 13-571) that *"the sites be developed by the Council for residential accommodation to be let at affordable rents subject to the continuing financial viability of each scheme."*
5. Subsequent to this decision, feasibilities were completed for each site and resident consultation undertaken in the summer of 2014 on the proposals. Planning permissions for all three sites have been obtained as detailed in Table 1 below.

Update on Council led Development to provide affordable housing**Table 1**

Scheme	1 bed	2 bed	3 bed	4 bed	Total
Former Hookham Court Garages	6	9	5	0	20
50 Thessaly Road	1	7	3	4	15
Tidbury Court	10	11	1	0	22
Total	17	27	9	4	57

6. Demolition is currently underway on all three sites commencing at the end of March 2015 on a 14 week contract. In January 2015, the Council sought expressions of interest via public adverts for the main works contract for each site. Unfortunately, the response to these adverts was poor, with only two returns for two of the sites and three for the other, resulting in the Council being unable to consider utilisation of this procurement route as a means of appointing contractors.
7. The Council has since undertaken soft market testing to consider why the sites have not been attractive to contractors and how they could be best procured to generate greater interest. Following this soft market testing exercise, further consideration is now being given in discussions with the Procurement Advisory Group as to how best to procure these services, including the possibility of the use of a suitable framework agreement or procuring the services subject to an OJEU notice. The use of framework agreements as an option for procuring the necessary services for sites development will be considered for this and future self build development opportunities, where standard procurement options are not considered appropriate.
8. It is now anticipated appointing a main works contractor in early 2016 with start on site commencing shortly thereafter. The anticipated construction period is estimated at 18 months, with the units being ready for occupation late 2017/early 2018.

Five Garage Sites at 72-82 Gaskarth Road, SW12 (Balham), 13 Limpsfield Avenue, SW19 (West Hill), 49-59 Moffatt Court, SW17 (Tooting), 1-6 Jordan Lodge, Nutwell Road, SW17 (Graveney) and Rowditch Lane, SW11 (Latchmere).

9. In June 2014, for these five sites the Executive approved (Paper No 14-313) that *“the five sites be developed by the Council to provide residential accommodation to be let at affordable rents subject to the continuing financial viability of each scheme.”*
10. All five sites have had feasibilities prepared by Design Services that are currently subject to pre planning application discussions and these are detailed in Table 2 below. Prior to any planning application submission residents will be consulted regarding the Council’s development proposals.

Update on Council led Development to provide affordable housing**Table 2**

Scheme	1 bed	2 bed	3 bed	4 bed	Total
72-82 Gaskarth Road	0	6	0	0	6
13 Limpsfield Avenue	0	0	2	0	2
49-59 Moffatt Court	0	0	0	2	2
1-6 Jordan Lodge,	0	0	2	0	2
Rowditch Lane	0	0	6	0	6
Total	0	6	10	2	18

11. It is anticipated planning applications will be submitted for all five sites between July –September 2015 following pre application resident consultation.

OTHER SITES

12. In January 2015, the Executive approved (Paper No. 15-13) that *“the above sites be developed by the Council to provide residential accommodation to be let as low cost rented housing subject to the continuing financial viability of each scheme and completion of any legal due diligence and any necessary consultation”*. Prior to the Housing and Regeneration Overview and Scrutiny Committee meeting of 25th January 2015, the Council wrote to all residents affected by the proposals on each of the seven sites informing them of the Council’s intention to develop and asking for views as to the proposal to develop these sites for housing.

Former caretakers office and undercrofts at Busby and Boyce Houses, Streatham Park Estate and undercrofts at Grierson and Shenstone Houses, Aldrington Road South Estate, SW16 (Furzedown)

13. Planning permission was granted in 2014 for Busby and Boyce House undercrofts (Planning No. 2013/3554) to provide three flats (two x one bedroom and one x one bedroom) at Busby House undercrofts and three flats (three x one bedroom) at Boyce House.
14. Planning permission was granted in 2014 (Planning No. 2013/3553) to provide for three flats each (one x one bedroom and two x two bedroom) at both Grierson and Shenstone Houses. The permission also included the provision of six additional car parking spaces and new bicycle and refuse storage areas within the Streatham Park Estate.
15. In addition, a further planning consent (Planning No. 2013/6428) was granted for the former caretaker’s office on the Streatham Park Estate to be converted into a two bedroom bungalow for disabled occupants.
16. The Director of Housing and Community Services has been negotiating terms with leaseholders who hold express rights over the sites. Whilst this has been successful with most leaseholders, there is one remaining non-derogation leaseholder on the Streatham Park Estate who has not responded to communications and therefore the Council has no alternative

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but to start the process of appropriation for planning purposes pursuant to Section 122 of the Local Government Act 1972 and to apply to the Secretary of State for Communities and Local Government for consent in so far required pursuant to Section 19 of the Housing Act 1985. A consultation letter will be going out shortly to all owners on the estate to advise them that the Council will be recommending to Committee that it seeks the use of powers of appropriation.

17. It is, therefore, intended to proceed with tendering the schemes at Grierson and Shenstone houses. Tender documentation is currently being updated and should be ready within the month. The Council will also require an enabling contract to divert gas mains from under the block and consultants are arranging for a revised quotation for these works. It is intended that Busby, Boyce and the caretakers flat on the Streatham Park estate will be run as a separate contract and will be delayed until appropriation is completed. Pre tender estimates for the entire seven units was estimated to be in January 2015 £2,040,192 including an indicative cost relating to diverting the gas main.

William Harvey Estate, Whitlock Drive store area, Edgecombe Hall Estate, SW15 (West Hill)

18. At 1-55 William Harvey House the area comprises a vacant lower ground storage facility. A planning consent was obtained (Planning No. 2010/0046) in 2010 to convert into a one x three bedroom residential dwelling but was not implemented.
19. As stated in the Committee report it was agreed that responses to resident consultation would be one of a number of factors that would be considered in progressing development proposals for each site. During consultation earlier this year, several objections were raised by residents on the loss of storage space to William Harvey House residents (there are currently 27 storage sheds in the lower ground that would be affected by the proposed residential conversion with initial proposals to have been to replace 6 of these). Officers further explored the possibility of including additional storage space as part of the design of the new development or seeing whether the storage units could be reprovided close by elsewhere on the estate. Unfortunately neither of these options were viable, the former would have compromised any form of residential development and no suitable alternative sites within the estate for storage sheds were suitable. Taking resident views into account and given the findings from the further investigatory work undertaken, under the delegated authority given to the Director of Housing and Community Services it has been recommended not to proceed with the scheme and residents were informed of this decision in March 2015.

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Undercrofts at 76 -87 Arnal Crescent/Bell Drive, Orchard Estate, SW18 (West Hill)

20. Initial designs have been prepared which have been informally discussed with the Head of Planning and Development. These would provide a one x one bed and one x two bedroom flats. From investigations undertaken there are no non derogation lease issues or other encumbrances to development.
21. The Council's Design Services have now prepared feasibilities for the site. Developing the undercrofts will lead to the loss of five car parking spaces, which has raised a number of objections from residents. However, within the feasibility for the scheme, Design Services have been able to incorporate 7 to 8 additional car parking spaces to mitigate against the loss caused by the redevelopment of the undercrofts.
22. A planning application is now being worked up and it is anticipated a planning application will be submitted between July – September 2015. Prior to any submission, further resident consultation will be undertaken on the development proposals. Pre tender estimates identify potential development costs of £448,000. Once tenders are returned, financial due diligence will be undertaken to ensure the scheme is the most financially beneficial to the Council.

Store sheds at 7 Rayners Drive/39 Carlton Drive, SW15 (East Putney)

23. Initial designs have been prepared which have been informally discussed with the Head of Planning and Development. These would provide one x two bed flat.
24. There are 16 store sheds of which 12 are empty with the remaining 4 being let to two residents from the wider area and two residents from 7 Rayners Road, none of whom are Council tenants or leaseholders. Since the Council informed residents of their development proposals no responses have been received in relation to the loss of these storage sheds.
25. Title investigations have indicated four 'non-derogation' type leases with rights over the land and the Director of Housing and Community Services will seek to negotiate terms with those owners who hold express minor rights over the area, with a view to varying their leases to enable any proposed development to take place.
26. Pre – tender estimates of construction costs, including external works and contingences are estimated to be in the region of £222,000 which has taken into account pre planning advice and estimated build cost increases. A planning application is now being worked up and it is anticipated a planning application will be submitted in July – September 2015. Prior to any submission, further resident consultation will be undertaken on the development proposals.

Update on Council led Development to provide affordable housing**Diprose Chapel, 750 Garratt Lane, SW17 Holborn Estate, SW17 (Tooting)**

27. The chapel was built in 1848 and as the property is Grade II Listed any conversion will require listed building consent and restricts the internal reconfiguration of the dwelling for residential use. Various live/work options have been explored and costings sought. However, thus far the cost of conversion is significant relative to the live/work options available and any income that might be achieved. Options for this building are being further explored by the Assistant Director Property Services with an update to be provided later in the year.

Former Community Centre, Stag House, Stroud Crescent, Putney Vale Estate, SW19 (Roehampton) -

28. Stag House is located on the Putney Vale Estate adjacent to numbers 34-80 Stroud Crescent. The premises were used for a number of activities until August 2013 and has been vacant since.
29. The decision to declare the site surplus to requirements and dispose has been reviewed by officers in light of funding for self build options being available for the reuse of one for one Right to Buy (RTB) receipts and given the potential utilisation of the site for the purposes set out in paragraph 30 below which would meet Council policy objectives in two respects. Firstly, by providing accessible supported housing to Wandsworth residents with a learning disability and/or physical disability. Second by providing a local housing offer to existing council tenants who are likely to be under occupying and wish to move and downsize.
30. Initial feasibilities have been commissioned from Design Services that indicate 23 self contained units could be developed on the site in one block. This has incorporated initial planning advice that takes into consideration the metropolitan open land to the west of the site and the existing Council blocks in Stroud Crescent adjacent to Stag House. Subject to completing legal due diligence before any development is progressed, it is proposed that 10 x one bedroom flats plus a staff flat be provided in one core of the block for persons with learning and/ or physical disabilities. The other core would comprise six x one bedroom and six x two bedroom flats. It has been identified that the Putney Vale estate has a number of under occupiers, many elderly, and it is proposed that the units would be prioritised for letting to under occupiers on the estate or local vicinity.
31. Responses to the consultation letter sent in January 2015 have generally been positive in regards to the development proposals. The Putney Vale Residents Association made an initial favourable response to the proposals and have stated that they would like to be consulted further on the redevelopment, with particular reference to the nature of any environmental improvement works, plans for car parking (due to the current scarcity of spaces) and the process for residents to register an interest in moving to the

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new development. These are matters that the Council has committed to consult further on.

32. The next steps to progress this site are detailed in paragraphs 51 –56 of this report.

Lateral Extensions to Blocks on Kersfield Estate, SW15 (East Putney)

33. The Kersfield Estate is bounded by Lytton Grove to the north and comprises three four storey buildings (Essington, Sprewell and Rosebury) built in the 1970's providing 17 maisonettes in each block
34. In 2009 a design feasibility by Pelling's proposed extensions to the southern end of each block on poorly provided amenity areas, to provide 32 new flats for low cost rent (16 x 1 bedroom and 16 x 2 bedroom). The Head of Planning and Development had some reservations about the loss of amenity space and a further feasibility undertaken by Design Services proposed an alternative development by providing extensions to the northern end of each block that it was viewed would provide better frontages on to Lytton Grove.
35. Further discussions are required with the Assistant Director (Planning and Development) on the alternative feasibilities on how to progress a potential development but the Director of Housing and Community Services considers there is potential for development on the Estate and that this should be pursued given the number of units that could be developed that would assist in meeting a range of housing needs. There has been previous consultation with residents on potential development which would need to be continued as part of the development of plans. Two responses to the consultation letter sent in January 2015 have been received, one relating to matters concerning possible rights conferred to leaseholders (non-derogation leases) and the other raising concerns over the potential loss of green space and impact on the peacefulness of the estate.
36. Title investigations have indicated seven 'non-derogation' type leases with rights over the land. It is proposed that the Director of Housing and Community Services negotiate terms with those owners who hold rights over the site, with a view to varying their leases, which would enable any proposed development to take place. All necessary legal due diligence will be concluded before any development is progressed.
37. The next steps to progress this site are detailed in paragraphs 51 – 56 of this report.

Winstanley/York Road Satellite Sites

38. In order to facilitate the first phase of development in respect of the Winstanley and York Road estate regeneration the Executive supported (Paper No 15-8) the investigation and intended development of four Council owned sites to provide affordable homes for decantees from the first phase of the Winstanley and York Road redevelopment. The commitments to

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Winstanley and York Road residents published during the regeneration masterplan process made it clear that the Council would identify sites in the area local to the estates where new build housing could be provided for Council residents to enable the first phase of the regeneration proposals to be taken forward.

39. The four sites have not yet had feasibilities undertaken and there has not been detailed consultation with local residents undertaken as yet. Initial capacity studies have been undertaken by Levitt Bernstein during the master planning process for the estates indicating that a total of between 150 and 170 homes depending on the size of the units required to meet the needs of decanting residents could be developed.

Tynham Close, SW11 (Shaftesbury) – See Plan as Appendix 1 to this report

40. This is currently a vacant site with potential for a lateral extension.

Gideon Road, SW11 (Shaftesbury) – See Plan as Appendix 2 to this report

41. This is a site of 46 underutilised garages, of which 17 are vacant and 29 let. Of the 29 garages which are let on garage tenancies: 16 are either let to a council tenant (5) or council leaseholder (11) and 13 are let to local residents. It is not at this stage clear where the garages are being used for storage or to house/park cars. The Council will undertake further analysis of the current use of the garages over the coming months with the intention of ascertaining the use of the garages and the extent to which the Council needs to consider and provide further parking options for its council residents within the locality.
42. It is intended to send letters to residents affected by the development proposals prior to the HROSC meeting in June as part of the Council's general consultation that it undertakes with its council residents when considering developing council owned sites for affordable housing.

Lavender Hill, SW11 (Shaftesbury) – See Plan as Appendix 3 to this report

43. This is currently a vacant infill site formerly store sheds which were demolished a number of years ago.

Hope Street also known as Milner House garages SW11 (Latchmere) – See plan as Appendix 4 to this report

44. Hope Street has been identified as a site where a significant level of affordable housing could be provided to assist with decants from the Winstanley and York Road regeneration (see Paper Number 15-8). Adjacent to Hope Street is a ramped garage area which consists of 38 single vehicle garages plus an underground garage accessed from Hibbert Street. Given

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the number of homes that could be delivered and the location of the site next to the Winstanley and York Road estates the development area provides an ideal opportunity to rehouse decantees locally and also to move residents in a sensitive way that allows informal networks of council residents to be maintained as far as possible and practicable.

45. Of the 38 garages, three are vacant and 35 let on garage tenancies requiring one weeks Notice to Quit. Of the 35 garages which are let, 21 are let to either a council tenant (11) or council leaseholder (10) with 18 garages let to local residents.
46. Two garages are let to community groups and/or charities with the final 12, split between 10 other WBC residents and 2 non-WBC residents. The Council will undertake further analysis of the use of the garages over the coming months to ascertain use in terms of which are used for parking and/or storage. Particular regard will be given to arrangements that may need to be considered to accommodate the storage requirements of the local community groups currently using the garages and alternative parking arrangements that may also need to be considered for council residents.
47. The underground garage has a 12 month development break clause which will enable the Council to regain possession when required.

Decanting Issues

48. Across all these sites the number and range of units to be accommodated will ultimately depend on the size of units that will need to be provided to meet the housing needs of those council households who will be decanted.
49. The sites will need to accommodate at least 100 social rent units and possibly some accommodation for estate resident leaseholders in order to assist with securing vacant possession of one of the York Road long blocks which have been identified as part of the first phase of the regeneration scheme at Winstanley and York Road.
50. Taking account of the results of the recent Housing Needs survey of council tenants who will be affected by regeneration and other engagement with tenants from the regeneration estates it is intended to determine the optimum mix of sizes of residential units across these sites in order to meet the needs of tenants requiring re-housing. This survey is also likely to identify access and adaptation requirements and possibly demand/preference for particular types of housing (e.g. housing targeted to older tenants wishing to downsize, larger family housing requirements).

Next Steps For The Four Satellite Sites, Stag House and Kersfield Estate

51. Given the stage the Winstanley and York Road regeneration plans have reached and in order to maintain momentum there is a degree of urgency to

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commence development of the satellite sites to allow phase one redevelopment to take place at the earliest opportunity.

52. There is also a question of capacity available in the Housing and Community Services Technical Services Team and in the Design Service to provide the project management to deliver these sites given quantum, scale and type of development being proposed. Such considerations would also be applicable to the particular forms of development being proposed for the Stag House and Kersfield Estate proposed developments.
53. This matter was considered by PAG on the 25th February 2015 with a recommendation that on the basis that the Council use existing frameworks such as the Homes and Communities Agency multi disciplinary framework to commission architectural and other services to undertake feasibility options, resident consultation, to obtain planning consents and as required project manage and see through the development of these sites. Such an approach will speed up procurement as pre qualification and EU procurement requirements have already been dealt with in setting the frameworks up and the processes put in place in respect to these frameworks allows for competition and transparency in the procurement process.
54. As the Council is about to begin procurement of cost consultants to assist with the delivery and project management of its major regeneration schemes it is recommended that the retained firm be used as cost consultants for these schemes to provide project management services and to maintain financial control and overview. Notwithstanding this officers would wish to retain the option of procuring project management services separately to this if there was a need to do so (e.g. in terms of requiring additional capacity, a more competitive price could be achieved). Other services already retained (e.g. Pinsent Mason for the legal advice) will be utilised to put in place robust delivery and obligatory arrangements.
55. In January 2015, the General Purposes Committee approved (Paper No. 15 –8) the creation of two posts within the Housing and Community Services Housing Development Team. In order to provide “client side” programme management, it is intended to recruit to the new post of Programme Manager through an agency by July 2015 who will oversee and drive forward delivery across the Council’s development sites. If required, the programme manager will be responsible for commissioning consultancy services as described in paragraph 53 and liaising with the cost consultancy.
56. The indicative timetable for the six sites (decant sites plus Kersfield and Stag House) is as follows, assuming the cost consultant project manages the schemes. In the event of the cost consultant is unable to provide project management services to all the schemes, the programme officer detailed in paragraph 54, will be responsible for commissioning the appropriate consultancy services to take the schemes forward, although that may mean some slight delay in the timetable described below:

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Design Feasibility, Resident Consultation and Pre Planning	July 2015 – December 2015
Capital bids for all sites to be included in the January Housing Revenue Account capital bids	January 2016
Planning Application Submissions	February 2016
Planning Permission	May 2016
Tender for main works contract and Appointment of Contractor	September 2016
Lead in and Two year Construction Programme to Practical Completion	December 2018

GLA Funding Opportunity For One of the Satellite Sites

57. An opportunity has also arisen to part fund one of the decant satellite sites utilising GLA grant. The GLA have, subject to an approved funding submission, offered to fund the proposed new units to assist with decants in Hope Street, with up to £5 m of GLA grant from the GLA's 2015 -2018 Affordable Housing Programme being potentially available.
58. This would require the Council to sign up to the GLA's Framework Delivery Grant Agreement and the units would need to be completed by March 2019. It would also mean the Council could not use RTB one for one replacement receipts to fund the costs of the scheme over and above the £5m GLA grant as this is prohibited under the agreement signed in relation to expenditure of RTB one for one Replacements receipts.
59. Officers are assessing the benefit of seeking GLA grant and the obligations on the Council that would be required from signing the GLA's Framework Agreement compared to utilising other funding resources, such as the RTB one for one Replacements receipts. If it is found to be acceptable to the Council in financial benefit and also agreement terms to take GLA grant a grant application would be made to the GLA towards the end of 2015. This report recommends that the Executive approves the Director of Housing and Community Services in liaison with the Director of Finance to enter into such a grant agreement if the terms are favourable and acceptable.
60. As part of the GLA's Framework Delivery Grant Agreement, the GLA requires the Borough Solicitor to sign a Letter of Opinion. Within the letter the Borough Solicitor has to confirm that the Council has the power and authority to enter into, observe and perform the terms and obligations on its part to be observed and performed by it under the grant agreement and the deed of covenant and has taken all necessary action and has obtained all relevant consents and approvals (statutory or otherwise) to authorise the execution

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and delivery of the grant agreement and deed of covenant. Further that neither the execution and the delivery of, nor the performance of the Council of its obligations under the grant agreement and the deed of covenant will violate any provisions of any existing application, law, rule, regulation or agreement binding on the Council and that the grant agreement and the deed of covenant constitute valid and legally binding obligations on the Council enforceable in accordance with their terms. The Council is required to authorise the Borough Solicitor to provide the Letter of Opinion to the GLA and to confirm that if the Letter of Opinion proves to be inaccurate the Council shall be liable to the GLA for all inaccuracies and to return to the GLA the amount of grant actually paid out by the GLA.

61. In the circumstances described in paragraph 60 above, should the Council decide to enter into formal agreement with the GLA, it is appropriate to authorise the Borough Solicitor to provide a Letter of Opinion, confirm that the Council will be liable for any inaccuracy, and to grant an express indemnity to the Borough Solicitor.

COMMENTS OF THE DIRECTOR OF FINANCE

62. The Director of Finance comments that the current approved Housing Revenue Account (HRA) capital budgets for the schemes included as part of this report are shown in the table below.

Scheme	14/15 £'000	15/16 £'000	16/17 £'000	17/18 £'000	Total £'000	Units
Aldrington South (Furzedown)	10	100	776	25	911	6
Hookham Court Garages (Queenstown)	38	969	1,650	100	2,757	20
72-78 Gaskarth Road (Balham)	88	735	407	-	1,230	6
13 Limpsfield Avenue (West Hill)	45	377	208	-	630	2
49-59 Moffatt Court (Tooting)	54	455	251	-	760	2
1-6 Jordan Lodge (Graveney)	57	479	264	-	800	2
Rowditch Lane (Latchmere)	156	1,304	720	-	2,180	6
Streatham Park (Furzedown)	10	110	889	140	1,149	7
50 Thessaly Road (Queenstown)	22	678	1,010	100	1,810	15
Tidbury Court (Queenstown)	30	970	1,575	100	2,675	22
TOTAL	510	6,177	7,750	465	14,902	88

63. For the other 9 schemes proposed as part of this report, including the 4 proposed satellite sites, as the schemes develop financial appraisals will have to be undertaken to confirm that self build is still a viable option. This may include the use of RTB 1-4-1 receipts, Section 106 offsite affordable

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housing contributions or external grant funding insofar as this is available. Once viability is confirmed HRA capital bids will need to be included in the relevant HRA capital bids process for approval by the Executive.

64. Under the revised RTB Regulations the Council is able to retain the capital receipts from the sale of additional RTB sales above that in the HRA self financing settlement on the provision that these receipts are utilised on affordable housing within three years of being retained; otherwise the receipts have to be returned to the Treasury with interest. The retained receipts can cover up to 30% of the development costs. Should the offer of grant funding from the GLA for the Hope Street site be accepted the Council would not be able to use this grant funding in conjunction with RTB 1-4-1 receipts to finance the development costs. The Council will only enter into a grant agreement with the GLA if the terms of the agreement are favourable and in the best financial interests of the Council.
65. It is anticipated that some of the sites which are currently accounted for in the HRA, may need to be appropriated to the General Fund for planning purposes to facilitate development. Appropriation from the HRA would result in an interest saving to the HRA with a corresponding cost to the General Fund based upon the market value of the land appropriated. Any interest cost would be minimal based on current interest rates and would be expected to be contained within existing budgets.
66. Latest estimates shown above indicate build costs per unit ranging from £121,000 to £400,000 which reflect the differing sizes of units being provided on the sites. It is clear, therefore, that, before the Council commits to such works, further analysis is undertaken to establish the ongoing financial viability of each of the schemes.

CONCLUSION

67. This report provides progress and recommendations relating to a proactive and progressive programme of council led affordable housing development to provide an estimated 140 homes for low cost rent housing. As with previous council development, plans set out here are or have been subject to resident consultation and will be subject to further discussion with residents as these plans are developed further. Residents will also have an opportunity to comment on plans where planning permission is sought.
68. The report also identifies that plans will remain subject to financial appraisal and that Council officers continue to seek funding options and opportunities including consideration of securing GLA Affordable Housing Grant to assist with development costs on one site identified above if the terms are acceptable to the Council.

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The Town Hall,
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BRIAN REILLY
Director of Housing and Community Services

1st June 2015

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.

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