

WANDSWORTH BOROUGH COUNCIL

HOUSING COMMITTEE – 14TH SEPTEMBER 2022

EXECUTIVE – 26TH SEPTEMBER 2022

Report by the Director of Housing and Regeneration on the Affordable Housing Development in 2021/22 and Proposals for Affordable Housing Delivery in Future Years

SUMMARY

This report reviews affordable housing delivery within the borough over the last year and sets out some initial guidance and alterations to existing policies in relation to the delivery of affordable housing in the borough.

Looking forward, the Council will seek to work with landowners, developers and Registered Providers to both maximise affordable housing that is genuinely affordable and addresses the needs of those households in the borough in greatest priority for affordable housing opportunities.

The Homeless and Housing Strategy report intended to be presented to the November 2022 committee cycle will further review affordable housing policies.

The Director of Resources comments are contained in paragraphs 47 to 61 of this report.

GLOSSARY

AHP	-	Affordable Homes Programme
BCHfL	-	Building Council Homes for Londoners
DLUHC	-	Department for Levelling Up, Housing and Communities
EINA	-	Equality Impact Needs Analysis
GLA	-	Greater London Authority
HOT	-	Homeownership Team
HPG	-	House Purchase Grant
HRA	-	Housing Revenue Account
ROFR	-	Right of First Refusal
RTB	-	Right to Buy
RTPB	-	Right to Part Buy
SHOT	-	Specialist Housing Occupational Therapist

RECOMMENDATIONS

1. The Housing 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 approve:
 - (a) the affordability guidance for low-cost rent and low-cost sale dwellings, including social rent as the preferred tenure for low-cost rent properties, detailed in paragraphs 13 to 16 of this report.
 - (b) the use of the Inclusive and Accessible Housing Design Guidance as set out in paragraphs 22 and 23 and Appendix 3 of this report, to provide clear advice on the Council's expectations regarding wheelchair housing standards and incorporate it into pre-planning and planning application feedback advice.
 - (c) the Council adopting the Greater London Authority's (GLA) core list of occupational groups for key workers as set out in paragraphs 25 and 26 and Appendix 4 of the report which will be implemented as soon as possible.
 - (d) the discontinuation of the Part Right to Buy Scheme to be implemented as soon as possible.
 - (e) increasing the house price level of properties purchased utilising house purchase grants to £600,000 in Greater London and lowering the level to £450,000 for purchases outside London which will be implemented as soon as possible.

UPDATE ON THE AFFORDABLE HOUSING DEVELOPMENT PROGRAMME

3. The Council's Local Plan Core Strategy Policy IS5e sets the framework for how the Council seeks the maximum reasonable level of affordable housing on development. This is, however, subject to financial viability.
4. During the financial year 2021/22, the Department recorded 310 new affordable home completions, set out by tenure type in Table 1. A number of larger schemes completed during the year including the Council's own development at Shuttleworth Road (St Mary's), the final three affordable phases of Clarion's scheme at Prince of Wales Drive (Nine Elms) which between them delivered 192 shared ownership and intermediate rent homes and PA Housing's scheme at the Linton Fuel Depot site on Enterprise Way (Thamesfield) which delivered 33 new shared ownership homes. A full listing of schemes can be found at Appendix 1.
5. A breakdown of the tenure and size of the 310 affordable homes completed in 2021/22 is provided in tables one and two below.

2021/22 Affordable Completions by Tenure

Table 1

	Units	Percentage
Affordable Rent	73	24%
Intermediate	237	76%
Total	310	100%

2021/22 Affordable Completions by Unit Size

Table 2

	1 bed		2 bed		3 bed		4 bed		Total
	no.	%	no.	%	no.	%	no.	%	no.
Affordable Rent	13	18%	39	53%	14	19%	7	10%	73
Intermediate	126	53%	97	41%	13	5%	1	1%	237

6. 938 affordable homes were secured in full planning applications approved within the year, with delivery subject to the schemes being implemented. It is forecast that during 2022/23, 788 new affordable homes will complete with potentially a further 1,309 affordable homes completing in the two years 2023/24 to 2024/25, making a total of 2,097 affordable units in the next three years. Of these, 986 (47 per cent) are consented to be for low-cost rent and 1,111 (53 per cent) for intermediate housing. These figures do not include the two co-living schemes due for completion over the next year that will include 193 discounted co-living homes, as they are not considered as affordable housing for planning purposes due to the size of the units. It must be noted that all the schemes mentioned have full planning application approval.
7. There are a number of significant sites that are due to complete over the next year. These include:
- the first two co living schemes¹ at Trewint Street (Wandsworth Common)
 - Chatfield Road (St Mary’s), the first Build to Rent scheme² by Greystar in Nine Elms (Nine Elms) and;
 - two extra care schemes by Peabody at St John’s Hill, Clapham Junction (Lavender) and by Optivo in Alton Road, (Roehampton).
8. Peabody will also complete delivery of 386 (250 affordable rent and 136 intermediate) affordable homes as part of the Battersea Power Station redevelopment (Nine Elms) and 168 (84 affordable rent and 84 intermediate) in Osiers Road (Thamesfield). The first affordable phase of the redevelopment of

¹ These are usually schemes with small rooms of between 13 – 25 sqm with their own bathing, cooking and living space and communal facilities

² This is purpose built private rented accommodation where the affordable housing element is Discounted Market Rent homes. These are let at a minimum rent of at least 20 per cent below open market rents.

the Springfield Hospital site (Wandsworth Common) by Barratts and PA Housing will deliver 60 affordable homes.

9. Although much affordable housing is secured through planning applications without recourse to public subsidy, the Council have secured grant through the GLA's 2016-23 Affordable Housing Programme (AHP) and Building Council Homes for Londoners (BCHfL) programme, as well as receiving a grant allocation, for the 2021-26 AHP. For the 2016-23 AHP and BCHfL the Council has received allocations of £25.5 million to deliver 317 affordable homes and for the 2021-26 programme total allocations of £23.4 million to deliver 289 affordable homes. The Department is currently reviewing the tenure mix of the development programme to achieve more genuinely affordable social housing. Initial meetings have also been held with the GLA to review potential new avenues of funding.
10. The Council's current adopted policies seek 50 per cent affordable housing with a minimum of 33 per cent affordable housing subject to viability, with a minimum of 15% affordable housing in Nine Elms Vauxhall Opportunity Area since March 2016. The affordable housing to be delivered is set out as a tenure mix of 60 per cent social/affordable rent and 40 per cent intermediate. However, over the ten-year period 2011/12 to 2020/21, according to the Planning Services Housing Annual Monitoring Report, a net total of 15,691 homes were completed in the Borough of which 12,697 (81 per cent) were for market housing and 2,994 (19 per cent) were affordable. Of the affordable, 1,954 (65 per cent) were for intermediate housing and 1,040 (35 per cent) social/affordable rent. The vast majority of the social/affordable rent homes will have been delivered as affordable rent rather than social rent.
11. The Council has therefore been unable to achieve either the quantum of overall affordable housing adopted policies aim to deliver or the appropriate tenure split within the affordable housing delivered. This position will continue to be the case if the pipeline of schemes forecast in future years detailed in paragraph 6 continue.
12. It is therefore the intention of the Council to seek to address this imbalance over the coming year. The Department will negotiate with landowners/developers the maximum level of affordable housing while ensuring genuinely affordable housing is delivered and work to secure grant wherever possible to support affordable housing delivery in the Borough. In addition, the Department will work with Planning colleagues to review the Council's approach to assessing financial viability assessments in support of planning applications.

AFFORDABILITY

13. The Council consider social rents to be the most appropriate form of tenure for low cost rented homes. This approach is also complimentary to the GLA's requirement that all affordable rented homes funded through the GLA's 2021-26 Affordable Homes Programme will be let at social rents. Officers will therefore seek where possible and viable, to negotiate social rent tenures on all future planning applications for low-cost rent properties. However, it should be

noted that seeking social rent rather than other forms of affordable rent will impact on the viability appraisals. Housing and planning officers will monitor the impact of this proposal, although as previously stated, this will be a requirement of any GLA funded rent properties in the 2021-26 Affordable Homes Programme, should they be eligible for grant funding.

14. The Council will also seek to negotiate with developers and registered providers the conversion of existing low cost rented housing already secured in planning applications where such opportunities arise, and it is possible to do so.
15. For intermediate housing, the Council's current affordability criteria is as follows:
 - a) 50 per cent of all shared ownership homes to be affordable to those on household incomes of up to £56,200 per annum;
 - b) 50 per cent of all shared ownership homes affordable to those on household incomes of up to £90,000 per annum - in line with the London Plan intermediate household income thresholds; and
 - c) that average housing costs, including service charges for shared ownership, should be affordable by households on annual gross incomes of £56,200 per annum.
 - d) For intermediate rent homes, 50 per cent to be affordable to those on household incomes of £41,200 per annum.
 - e) For 50 per cent of intermediate rent homes to be affordable to household incomes of up to £60,000 per annum.
16. Whilst it is recognised that average earnings have risen over the past year, it is also recognised there has been a significant rise in the cost of living and therefore, households' disposable income to spend on housing costs has not risen. Given this, it is proposed that for 2022/23 current household incomes detailed in paragraph 15 are retained.

SUPPORTED HOUSING

17. The Council continues to support the delivery of supported housing through both its own council led development programme and in partnership with registered providers. A council led supported housing development scheme of seven flats plus a staff flat, started on site at Colson Way, Tooting (Furzedown) in late 2021 and is due for completion in May 2023. The Enabling team work closely with Adult Social Services on any existing supported housing schemes that are no longer required for their existing client group but could be utilised for another supported housing client group and are now in discussion with two registered providers regarding supported housing schemes that are to be re-purposed to meet current needs.

18. Two new extra care schemes, although delayed from previous completion date forecasts, are under construction and due to complete later in 2022. Peabody are currently building out a 54-unit scheme in Phase Two of their estate regeneration on St Johns Hill (Lavender) which will include a community facility on the ground floor and Optivo's 41 unit extra care scheme at the former Pocklington Court site in Roehampton (Roehampton) is also under construction. St George's Trust are also now commencing planning applications for the Springfield Hospital site (Wandsworth Common) which in the outline permission has approval for a supported housing and extra care scheme as well as other affordable housing.

INCLUSIVE AND ACCESSIBLE HOUSING

19. Since 2020/21 the Department has funded a dedicated Specialist Housing Occupational Therapist (SHOT), based in the Enabling and Development Team to provide advice on accessibility in developments. In line with the London Plan and local planning policy ten per cent of all new homes have to be built to either fully wheelchair accessible or capable of full adaptation to this standard³.
20. The SHOT reviews and gives advice and support on wheelchair user housing being provided on both council, registered provider, and private sector land. They work to ensure there is a clear understanding of the regulations and the standards the Council expects housing to be constructed to and that this meets the needs of households that will occupy such dwellings. The SHOT is involved at the very earliest stage of a scheme's design, providing comments at both the pre application and planning application submission stage and then continuing to work with developers and registered providers both prior to commencement on site and during the construction process. This process prevents retrofitting of affordable homes that is both costly and can cause lengthy void periods and protects valuable council and Disabled Facilities Grant funding.
21. Below highlights some of the work and outcomes of the post in the Borough during 2021/22:
- reviewed and provided advice during pre-application and planning stages for 22 potential developments, many of which are still currently active
 - currently working on a pipeline (with planning secured) of 158 wheelchair accessible social rent homes as well as ten per cent wheelchair adaptable homes in intermediate, private rented sector and co-living schemes
 - currently working on nine developments on-site, including the large Peabody extra care/sheltered housing scheme of 54 flats, a council supported housing scheme of eight flats and 64 wheelchair accessible social rent homes
 - worked with registered providers and contractors to deliver three wheelchair user homes

³ In line with M4 standards of Building Regulations

22. Since in post the SHOT has assisted colleagues in compiling an Inclusive Housing and Accessible overview note and guidance applicable to a site proposal (see Appendix 3). This document provides clear guidance on the Council's expectations regarding wheelchair housing standards, and how the requirements of Part M of the Building Regulations can be practically applied on a site-by-site basis. The Guidance is an important reference point for securing the design features necessary to deliver good quality inclusive and accessible housing and it is intended that this will be kept up to date regularly to reflect best practice and can be expanded to cover other areas. This is rather than being put forward as a formal Supplementary Planning Document where it cannot then be updated without going through the statutory process, including public consultation.
23. It is therefore recommended that the Inclusive and Accessible Housing Guidance is used when working with the Planning service to incorporate it into pre-planning feedback advice and planning applications.

INTERMEDIATE HOUSING

PRIORITY CATEGORIES FOR INTERMEDIATE HOUSING

24. The Council's Intermediate Housing Policy, for both low-cost homeownership products and for intermediate rent, currently prioritises applicants as follows, and it is proposed to continue with the current categories as set out in Table 3.

Table 3

Wandsworth Priorities - Category of Applicants	
Priority 1	Wandsworth Council tenants with a recognised medical need or living in overcrowded conditions and having a minimum of 150 points in the transfer queue, decants, essential repair cases, tenants under occupying and homeless persons.
Priority 2	All other Wandsworth Council tenants and tenants of registered providers currently occupying property within the Borough and serving armed forces personnel.
Priority 3	First-time buyers who currently live within the Borough and Wandsworth Shared Owners needing to move to a larger property and keyworker employees including those coming to work in the Borough.
Priority 4	Existing Wandsworth homeowners who need to move, whose household income is less than £60,000 per annum and who cannot afford to buy on the open market. SSA employees and first-time buyers who work in Wandsworth but do not live in the Borough.
Priority 5	Wandsworth Shared Owners without a recognised need to move.
Priority 6	Applicants with a local connection* but do not live or work within Borough.
Notes:	

Wandsworth Council Tenants may be entitled to apply for a House Purchase Grant to use towards low-cost homeownership purchase.

If more than one applicant from the same priority group applies for a property, the applicant with the earliest registration date under the scheme will take precedence. All applicants are subject to a financial appraisal at the point of offer.

* Local connection criteria – 6 out of the last 12 months or 3 out of the last 5 years. Family or special circumstances to do with health or urgent need to move to another area.

25. With regards to priority and eligibility, in December 2021 the Mayor of London published a housing policy practice note “Allocating Intermediate Homes to London’s key workers” with guidance that the Mayor would wish to see keyworkers being prioritised for new build intermediate housing. In summary, it defines the GLA’s core list of key workers classified by occupation (See Appendix 4) as follows:
- Occupations that are considered essential to the functioning of London in normal times
 - Occupations where there is a requirement for an employee to be anchored at their workplace in London to carry out their role
 - Regard to income, with income caps defined for intermediate housing within the London Plan
26. The GLA’s core list is very similar to the current occupational groups already used by the Homeownership Team (HOT) for keyworkers so it is therefore recommended the Council adopt the GLA’s core list of key worker occupations. It should be noted that local authorities have discretion to add to the core list if there is a local keyworker need not identified in the GLA’s core list.

INCENTIVE AND LOW COST HOUSING ACTIVITY

27. Table 4 sets out actual performance against forecast in 2021/22 and provides a forecast for home ownership activity in 2022/23.

Table 4

Sales of Council dwellings	Forecast 2021/22	Actual 2021/22	Forecast 2022/23
Right to Buy (RTB)	20	65	35
Right to Part Buy (RTPB)	2	4	-
Shared Ownership Nomination Scheme (SONS)	232	199	296
House Purchase Grant (HPG)*	75	63	55
Freehold Reversionary Sales	10	9	8
Grand Total	339	340	394

* Based on available HPG budget/slippage from 2021/22 and subject to change as budget is moved forward from future years to meet demand.

The following paragraphs provide analysis of these schemes and any changes that are recommended to Committee.

Right To Buy (RTB) Sales

- 28. In April 2022, the statutory maximum discount figure for RTB sales (where the tenant can buy the home they occupy) was increased by 3.1 per cent (in line with Consumer Price Index in September 2021) and so the new maximum RTB discount for London was increased from £112,800 to £116,200.
- 29. The 65 RTB sales in 2021/22 generated £14.326 million of capital receipts of which £8.795 million was initially retained under the agreement the Council has with the Department of Levelling Up, Housing and Communities (DLUHC). At the end of 2021/22, the receipts retained to date for one for one reprovion since entering into the agreement totalled £47.864 million of which £6.925 million remained unspent. Given the Council's development pipeline it is anticipated that no future retained receipts will need to be repaid.
- 30. Under the changes to RTB legislation, purchasers since August 2005 have been obliged to offer their property back to the Council if they want to sell under the Right of First Refusal (ROFR) regulations, which came into force when a property is sold with a discount. When a homeowner wishes to "sell on" a property, which is subject to the ROFR regulations, they are required to serve a notice on the Council asking if it wishes to:
 - a) buy the property back;
 - b) nominate a registered social landlord to buy back the property; or
 - c) allow the applicant to sell "as they see fit" on the open market.
- 31. To avoid challenge, requests are viewed on a case-by-case basis by the Director of Housing and Regeneration and the Director of Resources. There were 21 ROFR requests in 2021/22, which are each considered on their own merit as to whether they represent value for money to the Council to re-purchase and /or meet a particular housing need. Following this assessment, none of the 21 properties were considered value for money to buy back but officers will continue to consider each request on their own merit.

Right To Part Buy (RTPB) Sales

- 32. The RTPB sales scheme was launched in January 2017 (Paper No.16-427). However, in 2021/22 only four applications were completed. Given this scheme is not a statutory requirement and has had very limited interest, it is recommended that this scheme is to be discontinued as soon as possible. In addition, it is increasingly difficult for households interested in the scheme to find lenders willing to provide mortgages for this product. Those households who have progressed through the process will be allowed to complete and any household who has already purchased under the RTPB will be able to continue to staircase should they elect to do so.

House Purchase Grants (HPG) – also known as Portable Discounts

33. HPGs encourage tenants who are financially able, to purchase a property in the private sector or to extend the home for a family member. The benefits of the scheme are that:
- it releases suitable vacant units in the Council's social housing stock for re-letting,
 - it helps meet aspirations to own and allows households to relocate and;
 - it is an alternative option to the RTB as it widens options to those who cannot afford to buy the property they are currently renting.
34. In 2021/22, the HOT received 147 HPG applications resulting in 63 moves with a total spend of £4.342 million, with 37 further applications from tenants carried forward into 2022/23 budget which will be a positive start to 2022/23.
35. Whilst it is not felt that current grant levels need amending, it is noted that property prices have risen within the past few years, particularly in London. The Council's current upper threshold for HPG eligibility is a single threshold for properties to be purchased up to £500,000 anywhere. Research of house prices both in and outside London shows that this threshold is now considered too low for larger family sized homes in Greater London but too high for outside London. Therefore, it is recommended that the upper purchase limit should be increased from £500,000 to £600,000 within Greater London and purchases outside London be capped at £450,000 (this will be implemented as soon as possible). The new increased Greater London threshold will provide greater choice and options for tenants in a competitive property market and may open opportunity for purchases within Wandsworth
36. In the current financial year there have been 11 HPG completions with a further 55 live applications at various stages in the process that may or may not complete. The HPG remains popular and a viable way to buy and move for social renters and will continue to work to meet the demand for moves given the clear benefits to the Council of gaining more social rent units for letting.

Freehold Revisionary Sales

37. Leaseholders who own flats in the same building have a statutory right to collectively purchase their freehold and the Council operates both a statutory and voluntary scheme. The voluntary scheme requires all properties in the block to be on long leases and all leaseholders must apply. If these criteria are satisfied the leaseholders must submit a voluntary application completed and signed by all leaseholders. An inspection of all properties is undertaken, and a valuation produced by the Council's appointed surveyor. If any of the leaseholders do not wish to apply or if a council tenant lives within the block, a statutory form (Section 13 Notice) must be submitted. An inspection of all properties will be undertaken, and valuation produced by the Council's appointed surveyors.

38. In 2021/22, there were nine completed freehold sales (nine blocks/properties that totalled 20 units) with a capital receipt of £300,300, which is on par with the number of completions in 2020/21. Table 5 shows predominately sales are from smaller properties where it is more feasible for leaseholders to take on the management and upkeep of the property. There are currently 22 potential sales (totalling 60 units) in the pipeline with three of these at the legal stage.

Breakdown of block types who completed in 2021/22

Table 5

Leasehold house	2 flats within block	3 flats within block	4 flats or more within block
0	8	0	1

COMMUTED SUMS

39. During 2021/22 £0.62 million was received from developers as commuted sums for affordable housing purposes. Approximately a further £5.5 million (actual amounts subject to certain triggers being realised) was secured as part of planning approvals during the year. The balance of available affordable housing commuted sums held at the end of the financial year was £6.128 million, with a possible future pipeline of circa £34.125 million to be received over the next few years depending on scheme completions and various trigger points being met.
40. In 2021/22, the Council utilised £7.285 million to support a number of affordable housing programmes and scheme costs. The remaining funds are fully committed to schemes that continue to support the provision of affordable housing including the regeneration schemes and site development. Therefore, any balance of commuted sums can be considered earmarked for affordable housing schemes.

SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)

41. All affordable housing, whether delivered on private or Council owned sites has to meet the required Building Regulations and planning policy standards set out in the Council's adopted planning policies. The Council's development programme has fully embraced the need to build to the required environmental standards and Wandsworth's new homes are being designed and delivered to meet enhanced environmental standards, thereby minimising their overall environmental impact. Part of this strategy includes reductions in CO2 beyond Building Regulations requirements.

CABINET MEMBER FOR HOUSING COMMENTS

42. We are committed to ensuring local people have a genuinely affordable place to call home, to build 1,000 Council homes and aim to achieve 50 per cent affordable homes on all new developments.

- 43. We are already well underway in reviewing the Council's 1,000+ homes programme, to ensure 1,000 genuinely affordable homes are delivered compared to the less than 50 per cent affordable rent homes that the Council previously undertook to develop under the programme.
- 44. However, I want to see affordable housing delivery in the Borough outside the Council's own development programme too. We need developments on private sites to deliver genuinely affordable homes that truly meet the needs of our communities. As this report demonstrates over the last ten years, less than eight per cent of all net homes built have been for affordable rent housing with very few for social rent. This is an unacceptable period of lost opportunity, one that has failed to meet priority housing needs for the decade in which that need has become most acute. With over 3,500 families statutorily homeless in our Borough, we urgently need to address this legacy.
- 45. I, therefore, intend to seek a new approach. We will work with the Council's housing enabling and planning teams to bring forward affordable housing and planning policies that seek to maximise social rent housing delivery. The current review of the Local Plan will be a key consideration in this regard. I also want to work in partnership with key external stakeholders and funders to ensure that all opportunities are taken to bring investment into the borough and to maximise streams of available funding to support affordable housing delivery.

COMMENTS OF THE ASSISTANT DIRECTOR OF ENVIRONMENT AND COMMUNITY SERVICES (PLANNING AND TRANSPORT)

- 46. It is noted that the report covers the role of the Housing Authority in the delivery of affordable housing, a key objective of the Administration. Planning policy in this area is directed by Government through the National Planning Policy Framework, contained in the London Plan and locally within the adopted development plan. Plan making is a function of Full Council with scrutiny the remit of the Transport Committee. The planning service will continue to actively monitor the delivery of affordable housing across the borough and work positively with colleagues in housing enabling to maximise its delivery through the planning process.

COMMENTS OF THE DIRECTOR OF RESOURCES

- 47. The Director of Resources comments as follows: -

Right To Buy

- 48. Under the revised regulations and retention agreement, which was applicable from April 2021, RTB one for one replacement receipts can be used to fund no more than 40 per cent of the cost of replacement units and must be spent within five years of receipt or repaid to the with interest.

49. The 65 RTB sales in 2021/22 generated £14.326 million of capital receipts of which £8.795 million was initially retained under the agreement. At the end of 2021/22, the receipts retained to date for one for one reprovion since entering into the agreement totalled £47.864 million of which £6.925 million remained unspent.
50. In total the Council has so far utilised £40.939 million of retained RTB receipts to support and progress selected development schemes in the Borough (where GLA funding wasn't utilised) and to support the acquisition schemes such as the Temporary Accommodation, Regeneration Buy-Back and the Auction Replacement purchase programmes. Those properties acquired to date have then generally had rents set at an Affordable Rent level, which is permissible under the scheme, but where they have facilitated a decant or been used to meet other housing needs, rents have been set at a Social Rent level. The additional rent that the Affordable Rent generates then supports the borrowing costs associated with the reprovion as the balance of the cost of reprovion has to be funded through borrowing as set out with the agreement.
51. Based on the forecast of 35 RTB sales in 2022/23, the estimate of RTB sales receipts is £7.7 million of which it is estimated that £3.416 million would be retained. If accurate, the total retained receipts at the end of 2022/23 would be £10.341 million. Based on the assumption that this can make up no more than 40 per cent of the cost of reprovion the total amount required to be spent on reprovion to avoid retained receipts being repaid is £25.853 million. This has to be spent within 5 years of receipt.
52. The current pipeline schemes under the 1,000 Homes programme will need to be reviewed to see where it could be more financially advantageous to use RTB retained receipts (which can cover up to 40% of build costs) rather than seek GLA grant funding (which is capped at maximum grant rates between £100,000 - £120,000 for specific schemes dependent on which GLA funding programme grant is allocated). Where it is of greater financial benefit to the Council to utilise RTB reprovion funding rather than seek GLA grant these schemes will be considered for inclusion to be counted as part of the RTB replacement programme. GLA funding will still form a large part of the financing of the 1,000 Homes programme as it is not expected that RTB retained receipts will be available in sufficient quantum to fully replace the external grant.
53. The expenditure and borrowing required to necessitate full utilisation of the retained RTB receipts needs to be carefully monitored so that the previously identified HRA borrowing requirements for the regeneration areas and the Council led development programme continues to remain affordable within the HRA Business Plan and so that the Council has capacity to deliver the volume of new build schemes required to satisfy the RTB agreement.
54. The decision on retention or repayment of RTB one for one replacement receipts is delegated to the Director of Resources and will continue to be made on an annual basis following assessment of the pipeline of schemes proposed by the Director of Housing and Regeneration. If the Council elects to repay at a later date following retention, then those receipts will need to be repaid to the

Treasury with interest calculated at 4% above base rate. This shows the importance of having robust and deliverable future investment plans.

Right to Part Buy

55. Capital receipts generated from sales under the Right to Part Buy scheme are not subject to the same agreement and are, therefore, freely available for use to fund the wider HRA capital programme and not subject to capital receipt pooling regulations. From the 4 properties disposed of under the RTPB scheme in 2021/22 the Council generated £0.69 million. The discontinuation of this scheme will therefore reduce capital receipts in the HRA which will need to be considered in future updates of the HRA Business Plan.

House Purchase Grants

56. HPGs release properties to the housing queues where the notional long-run value of immediate available use (compared to waiting for the normal tenancy turnover period) is £80,000 based on the assumed cost of the cheapest form of replacement temporary accommodation. In reality if the released property is suitable for a larger family, then the actual comparative costs of temporary accommodation can be significantly more.
57. The current approved budget for HPGs in the HRA is £4 million in 2022/23 with slippage of £1.281 million from 2021/22 to be incorporated, making a total available resources of £5.281 million for 2022/23. This will be revised as part of the HRA Business Plan update (Paper No. 22-259 elsewhere on this agenda) to reset the current year budget to £4 million in line with latest projections on activity levels.
58. In total £9.281 million is approved in the HRA capital programme for HPGs over the next two years. In view of the latest forecast, the overall resource levels will again be reviewed and future funding levels assumed with the Business Plan recalibrated if necessary.
59. The HRA Business Plan currently assumes £3 million is available in perpetuity for the continuation of the HPG scheme which represents a £1 million reduction from recent approved levels. The recent increase in resources was only intended to be a temporary uplift to address the perceived applicant backlog and manage pent up demand. Based on the reduced forecast for this year this can be assumed to now be under control and future budgets reduced accordingly.

Affordable Housing Commuted Sums

60. During 2021/22, £0.62 million was received from developers as commuted sums for affordable housing purposes and £7.285 million utilised giving an overall remaining balance of £6.128 million at the end of the financial year. If all commuted sums currently secured in planning permissions are received by the Council in future years a further circa £34.125 million could be received, dependent on works progressing and on certain delivery triggers being hit by the developers.

61. In total the Council has so far utilised £49.756 million of commuted sums to support and progress major schemes in the Borough including a new extra care facility in Tooting, the Council’s programme of identifying and providing grant to bring empty homes back into use, the Wandsworth Affordable Housing Programme grant scheme and the purchase and development of the Sphere Walk (Shuttleworth Road) scheme. The remaining balance of the funding and future estimated receipts is intended to continue to underwrite the Council’s Affordable Housing priority schemes, estate regeneration and wider development plans although will not be relied on and factored into the HRA Business Plan until the Council are actually in receipt of contributions.

COMMENTS OF THE SOUTH LONDON LEGAL PARTNERSHIP ON THE LEGAL IMPLICATIONS

62. This report sets out the regulatory framework within which the Council is obligated to adhere to in deliverance of its affordable housing strategy and the commitment to maintaining standards in relation to wheelchair user accommodation and therefore this report indicates no specific legal risks.

EQUALITY IMPACT NEEDS ASSESSMENT

63. An Equality Impact Needs Assessment (EINA) of the report has been undertaken and reviewed by the Equalities Policy and Review Manager. The EINA found that the report had positive impacts on a number of protected groups.

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BRIAN REILLY
Director of Housing and Regeneration

14th September 2022

Background papers

There are no background papers to this report.

All reports to 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 officer can supply it if required.

APPENDIX 1

Affordable Housing Completions 2021/22 by Scheme

Provider	Address	Affordable Rent	Shared ownership	Intermediate rent	Ward
Clarion	Elmbridge House, Prince of Wales Drive	0	73	26	Nine Elms
Clarion	Malvern House, Prince of Wales Drive	0	35	42	Nine Elms
Clarion	Bowden House, Prince of Wales Drive	0	16	0	Nine Elms
PA Housing	Linton Fuel Site, Osiers Road	0	33	0	Thamesfield
WBC	Sphere Walk, Shuttleworth Road	63	8	0	St. Mary's
WBC	1-8 Arnal Crescent, Orchard Estate	4	0	0	West Hill
WBC	Bessborough Road	6	4	0	Roehampton
Total		73	169	68	

APPENDIX 2

Intermediate Housing Completions 2021/22 by Scheme and Bedsize

Provider name - scheme address / Ward	1-bed	2-bed	3-bed+	Total
Clarion – Elmbridge House, Prince of Wales Drive / Nine Elms	66	33	0	99
Clarion – Malvern House, Prince of Wales Drive / Nine Elms	33	33	11	77
Clarion – Bowden House, Prince of Wales Drive / Nine Elms	8	8	0	16
PA Housing – Linton Fuel Site, Enterprise Way / Thamesfield	16	17	0	33
Wandsworth Council – Shuttleworth Road / St. Mary’s	3	4	1	8
Wandsworth Council – Bessborough Road / Roehampton	0	2	2	4
Total	126	97	14	237

APPENDIX 3

INCLUSIVE AND ACCESSIBLE DESIGN GUIDANCE

APPENDIX 4

GLA KEYWORKER OCCUPATIONAL DEFINITIONS