

**From the Leader of the Council**

Sian Berry AM  
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Dear *Sian*,

**London Assembly Housing Committee on Housing Delivery Vehicles**

I was delighted to attend September's Housing Committee to discuss the issues surrounding new housebuilding in the capital and the different methods and strategies being put in place by councils to deliver greater numbers of affordable homes for Londoners.

I'd like to expand on those discussions and put on record Wandsworth's current development programme.

Wandsworth Council has committed to develop 1,000 homes on its own land without establishing a housing company. The council is investing £80m from its own resources as well as providing the land required to deliver these 1,000 new homes of which 60 per cent will be affordable. This is significantly more than the level being delivered by some of the housing companies that have been set up by Councils and which were the subject of the committee's discussions. The remaining market housing will help to subsidise our development of both low-cost rent and shared ownership housing and will be marketed on the basis of Wandsworth People being able to own and occupy these homes.

This fully costed approach optimises receipts for reinvestment by minimising overheads and focuses on development that helps meet the demand for low income housing. It also provides a level of transparency and accountability which is a key consideration when pursuing infill schemes on council estates, with the views of existing residents represented by elected members ensuring that their thoughts and concerns are carefully balanced with the need to build additional homes.

We fully recognise on a business case basis that companies, joint ventures and other delivery vehicles and approaches have a role to play in harnessing investment, expertise and capacity, particularly when it comes to delivering major development and regeneration schemes.

We gave the committee the example of the Winstanley and York Road estates in Battersea which will deliver over 2,000 new homes as part of an ambitious regeneration programme. We will be replacing all the existing social housing with modern, spacious, high quality new homes which will remain in the council's ownership - plus we will be building additional homes to ensure that our affordable housing delivery is maximised.

I have to say how disappointing it was that some members of the committee did not seem to recognise or appreciate the complexity that comes with delivering major regeneration projects and the very significant costs involved, which inevitably mean that not every aspiration or objective can be met. This is true for virtually every estate regeneration scheme and this important fact needs to be acknowledged. These challenges include the need to compensate existing property owners and landowners, procurement on a major scale and general mobilisation costs. Further consideration needs to be given to adding infrastructure like schools, play, leisure and well-being facilities, health centres and transport provision. The need for this "placemaking" cannot be overlooked if the wider community is willing to accept and support these large-scale and often disruptive building projects.

This means that in the case of Winstanley and York Road the cost of providing a new leisure centre, new library, a new park and also providing space for a local community college and church must be included. These all come at a cost but are necessary to build and support a new community. If these other placemaking benefits are not part of the regeneration, then you are left with a scheme that simply replaces a council estate that is isolated from the wider area with insufficient community benefits with another that may have some additional units but is similarly cut off and isolated from its neighbouring communities.

Our ambition is to deliver not only high-quality homes for all but high quality, integrated neighbourhoods which meet the needs of those renting, part buying and fully buying and indeed existing residents in the wider area who will utilise the newly delivered community infrastructure.

The committee should perhaps focus its attention on the barriers the Mayor is putting in place on his financial support to estate regenerations which have made significant progress and continue to have the broad support of local residents. This does not currently affect our two regeneration schemes here in Wandsworth which are both already subject to binding contracts, but if the Mayor was to show more flexibility and provide grant funding without strings attached we could do a lot more. Sadly, we see no signs of the Mayor changing tack and removing these barriers to progress.

It was welcome that those sitting around the table were not establishing companies to avoid offering their social housing tenants the right to buy their home should they wish to do so. Two thirds of council tenants would like to buy but often cannot. Councils in my view should not be putting obstacles in the way of those who aspire to own the home they live in and should recognise the opportunity to reinvest the receipts from the sale of assets in new housing. What the committee should call for is for the Government to allow councils to retain 100 per cent of RTB receipts for reinvestment and not just a portion of them.

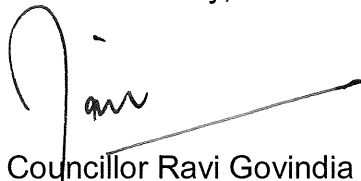
Councils need to establish housing companies, with the concomitant set up and running costs, because they cannot let the stock they buy and build on private rent terms, or indeed use that income, to fund services which sit in a Council's general fund.

Councils should be able to let on more flexible terms and on increased eligibility to their residents who are on lower to middle incomes but who may not have a very urgent need for the existing social housing that councils currently offer. We in Wandsworth, and I am sure others across the political spectrum, would welcome such flexibility in order to meet a broader range of needs and demands with the new housing they are able to develop.

It was notable that many of the councils that appeared before the committee identified the risks now associated with maintaining development momentum given the changing London housing market. As was recognised there are many approaches to minimise this risk, including in our case, a focus on meeting the housing demands of first time buyers. However, I believe that any slowdown in the market provides a fresh opportunity to refocus more fully on homeownership and working with developers to build homes that meet this changed demand, with homes marketed to existing and future London residents and workers.

A twin challenge of maintaining development momentum, and the planning gain benefit this brings, and getting commitments from the development sector to buy and build for those who wish to own and occupy is what Londoners want. I hope the committee will give due regard to this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ravi Govindia', with a long horizontal line extending from the end of the signature.

Councillor Ravi Govindia  
Leader, Wandsworth Borough Council

**cc.** Tom Copley, Assembly Member  
Leonie Cooper, Assembly Member  
Andrew Boff, Assembly Member  
Tony Devenish, Assembly Member  
Nicky Gavron, Assembly Member  
David Kurten, Assembly Member  
Chris Jones, Wandsworth Borough Council  
James Murray, Deputy Mayor of London for Housing  
Deborah Heenan, London Borough of Newham  
Richard Blakeway, Chair of BexleyCo  
Pat Hayes, Chief Executive of BeFirst  
Cllr Louise Mitchell, London Borough of Waltham Forest  
Paul Mawson, Managing Director of Sixty Bricks  
Simon Theobald, London Borough of Hackney  
Mark Baigent, London Borough of Tower Hamlets