



City of Westminster

Committee Agenda

Title: **Communities, Regeneration and Housing Policy and Scrutiny Committee**

Meeting Date: **Monday 15th March, 2021**

Time: **7.00 pm**

Venue: **This will be a virtual meeting**

Members: **Councillors:**

Andrew Smith (Chairman)	Elizabeth Hitchcock
Barbara Arzymanow	Aicha Less
Antonia Cox	Pancho Lewis
Paul Dimoldenberg	Ian Rowley

This will be a virtual meeting. Members of the public and press are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda.

This meeting will be live streamed and recorded. To access the recording after the meeting, please revisit the link.

If you require any further information, please contact the Committee Officer, Lizzie Barrett.

Corporate Website: www.westminster.gov.uk

Note for Members: Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Head of Committee and Governance Services in advance of the meeting please.

AGENDA

PART 1 (IN PUBLIC)

1. MEMBERSHIP

To note any changes to the membership.

2. DECLARATIONS OF INTEREST

To receive declarations by Members and Officers of the existence and nature of any pecuniary interests, or any other significant interest in matters on this agenda.

3. UPDATE FROM THE CABINET MEMBER FOR HOUSING SERVICES

(Pages 5 - 8)

Councillor David Harvey, the Cabinet Member for Housing Services, to provide a verbal update to the Committee on current and forthcoming issues in his portfolio and to answer questions from Members.

4. UPDATE FROM THE CABINET MEMBER FOR COMMUNITIES AND REGENERATION

(Pages 9 - 12)

Councillor Heather Acton, the Cabinet Member for Communities and Regeneration, to provide a verbal update to the Committee on current and forthcoming issues in her portfolio

5. REPORT ON REGENERATION AND DEVELOPMENT PROGRAMME

(Pages 13 - 24)

To receive a report on the Council's regeneration and development programme.

6. WORK PROGRAMME

To discuss the Committee's work programme for 2021.

**Stuart Love
Chief Executive
15 March 2021**

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Communities, Regeneration and Housing Policy and Scrutiny Committee

Date: Monday 15 March 2021

Report Of: Councillor David Harvey

Portfolio: Cabinet Member for Housing

Report Author and Contact Details: Alexandra Deolinda Severino
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1 Summary

As per the new agreed Cabinet Member report structure, this update provides highlights on my City for All priorities which drive the medium-term objectives of the portfolio, plus areas of current focus in the housing portfolio and pertinent performance information. I have made no key decisions to update the committee on since my last report.

2 City for All – Housing Priorities

Cleaner and Greener

Leverage Energy Efficiency Measures in Housing

- 2.1 £20m over the next 4 years has been allocated in the HRA Capital programme to begin this programme.

Activities for the next period include:

- Further modelling of investment required in housing stock.
- Void standard to include Insulation.

Vibrant Communities

Develop a New Approach for Major Works for our Buildings

- 2.2 Budgets for 21/22 have now been confirmed.

Supporting Vulnerable Housing Residents

- 2.3 We are working with partners to establish a multi-agency framework to deal with mental health issues. We aim to pilot this approach by the end of March 2021.
- 2.4 A high-level review of the current floating support contract has been completed. Referrals from the Housing teams increased during Q3/Q4 of 19/20 as a result of awareness sessions that were provided to staff during that period. Those sessions will

be repeated in March and then periodically throughout the year to ensure awareness remains high.

Redesigning Our Service Model Through Shared Space and Maximizing the Use of Our Public Space

- 2.5 The housing led element of this initiative is our pilot at Churchill Gardens. A survey has been designed to identify items such as activities and services residents currently use or would like to access locally, ideas for the use of the Churchill Gardens Community Hall and the perceived impact of housing on health and wellbeing. The responses to this survey will help to determine the priorities for the project. We are at the beginning of developing a survey to consult younger people.

Smart Cities

Trial Smart Homes Technologies

- 2.6 The project is progressing through the discovery stage. The initial pilots will cover sensors to detect leaks and open fire doors, drones to view hard to reach places, and digital noticeboards to explore how we can improve the accuracy and timeliness of information to residents. Market research is complete, and products have been selected for testing for the above pilots. Data analysis is underway to identify the best scenarios in which to test the technology and the best locations.

3 Areas of Focus

Major Works Updates

- 3.1 Performance of delivery is in line with expectations with strong commitments from our Service Providers. Positive news on Glastonbury House with Cladding works (not combustible ACM, but an older type) will commence at Glastonbury house on March 1st. Under Axis Europe, Little Venice Towers is close to practical completion and has been an impressive delivery model, as is the Queens Park and Hallfield Estates, respectively. Axis has also committed to starting a new roofing project at Downfield Close.

ASB on Housing Estates

- 3.2 In January 2021 we implemented a new approach to ASB enforcement. The first change is to make more use of *Notices of Seeking Possession* where there has been a breach of tenancy agreement. In February we issued **8** notices. The second change is to make more use of *Community Protection Notices* to tackle persistent ASB. The ASB team have received additional training in relation to the agreed referral pathways.

Housing Contact Centre

- 3.3 The project to replace the Housing Contact Centre telephony platform with our new digital system, which will provide residents with additional channels to contact the council, is in the final phase of delivery with the introduction of inbound SMS and Webchat.

Homelessness and Rough Sleeping

- 3.4 During the recent cold weather, we activated our Severe Weather Emergency Protocol (SWEP) over 25 days and offered accommodation to more than **250** people who needed our support and were sleeping rough in Westminster.
- 3.5 MHCLG will provide a 'Surge Winter Capacity' fund to Westminster with a baseline allocation of £210,000 in 2020/21 and agreement of an additional £100,000 to be allocated to winter pressures funding in February 2021.
- 3.6 There are currently **2728** households in Temporary Accommodation.

4 Major Decisions

- 4.1 **Since my last update, there have been no major decisions undertaken in the Housing portfolio.**

5 Performance Updates

Housing Contact Centre

- 5.1 A total of **16,476** calls were received in January with **93%** of calls handled and **65%** handled in the 30 second service level achieving our minimum standard for this target.
- 5.2 A total of **5,298** emails were received in the Contact Centre in January with **99%** responded to in target, Customer Satisfaction and First Contact Resolution remain above target at **91%**.

Satisfaction with Repairs Service

- 5.3 We have met our target standard in Q3, at a position of **82%**. **1598** respondents out of **1945** reported to be very or fairly satisfied with their repairs service.

Satisfaction with ASB Case Handling

- 5.4 Our position at Q3 is on target at **65%**. **167** out of **256** complainants reported to be very or fairly satisfied with how their case was handled.

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Communities, Regeneration and Housing Policy and Scrutiny Committee

Date: Monday 15 March 2021

Report Of: Councillor Heather Acton

Portfolio: Cabinet Member for Communities and Regeneration

**Report Author and
Contact Details:** Chloe Baker
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Ph: 07890 380122

1 Summary

- 1.1 Following an agreed adjusted Cabinet Member report structure, this update provides highlights on the City for All priorities, areas of current focus in the Communities and Regeneration portfolio and pertinent performance information.

2 City for All – Communities and Regeneration Priorities

The refreshed City for All vision was launched earlier this month, so that the strategy for improving the city for future generations is responding to the impact of COVID-19. Our vision for tackling climate change, creating vibrant communities and a smart city remains but a further aim of a “Thriving Economy” has been added to reflect the council’s priority to support economy recovery. Cabinet Member priorities are cross cuttings over each area of the strategy, though my key priorities are largely within “vibrant communities”

Vibrant Communities

Private Rented Sector (PRS) Strategy

- 2.1 Following detailed consultation, the PRS Strategy was put in place in February. The consultation on the Houses of Multiple Occupation additional licensing scheme, which complements the PRS strategy, ran from 19 November until 18 February. This scheme will go to Full Council on 13 May for approval and adoption.

Anti-Social Behaviour Strategy

- 2.2 We are in the early stages of developing a new Anti-Social Behaviour (ASB) Strategy to address and combat ASB across the borough. Evidence to support the strategy is being collated at the moment and all colleagues will be consulted in due course.

Westminster Connects

- 2.3 Westminster Connects has continued to support residents who are shielding or self-isolating, as well as supporting local track and trace operations.
- 2.4 On 17 February, Central Government added 1.7m people to the cohort of 2.3m people considered clinically vulnerable. This has had a substantial impact on Westminster, as the local cohort of clinically vulnerable residents has more than doubled, from 8,511 to 17,325.
- 2.5 To date, 26,934 residents have been supported or offered help through Westminster Connects. Over the coming year, we intend to expand on the success of Westminster Connects and work with our partners to create a new level of civic engagement, where greater numbers of volunteers support vulnerable residents across the borough.

Rough Sleeping strategy

- 2.6 Evidence collation to inform a revised rough sleeping strategy will commence soon. This will involve our Homelessness Partnership, other support organisations and the police and will be developed with the Cabinet Member for Housing.

Regeneration and Affordable Housing

- 2.7 The regeneration programme is proceeding well and remains on track to meet the Council's 1,850 affordable housing target by 2023.

Church Street

- 2.8 The Site A design for Church Street would provide c. 430 homes, of which 50% are affordable. Public consultation will begin in March, in preparation for a hybrid planning application – a detailed plan for site A and outline plans for sites B and C, the public realm and Church Street Market.

Ebury

- 2.9 Good momentum has been maintained on Ebury and demolition of vacant blocks has been brought forward. "Ebury Edge" was completed in October 2020 and, despite COVID19 and lockdown restrictions, is almost fully let. Fat Macy's is offering a local deli and take away services and trial periods have been granted for local community groups, including 'Carly's Angels', an Ebury resident childcare provider.

Cleaner and Greener

Code of Construction Practice (CoCP)

- 2.1 Work is progressing on the revision of our Code of Construction Practice document, which sets out best practice for construction works taking place throughout Westminster. The document will go to consultation including to members of this committee.

Air Quality around Schools

- 2.2 Every school across the borough received a bespoke air quality audit report, highlighting opportunities to reduce emissions and exposure to emissions. Schools can access the £1mil School Clean Air Fund to implement steps to improve their situation. £250k has been earmarked for 2021/22, and we continue to support schools in introducing green measures to improve air quality. Some of the projects already completed include air filtration system instalments, and signage and road-markings to reduce engine idling outside schools.
- 2.3 Work also continues on the implementation of nine new School Streets.

Regeneration Projects

- 2.4 We continue to aim for carbon zero or at a minimum neutrality in our regeneration projects. We are targeting extremely low heating and hot water demand within new homes and eliminating fossil fuels for the heating of new developments. All sites will maximise the amount of renewable energy generated.

3 Major Decisions

- 3.1 I approved the 'Home Improvement Grants and Assistance & Leaseholder Relocation Assistance Policy' on 17 February 2021.

4 Areas of Focus

City Inspectorate

- 4.1 We are in the process of adjusting the City Inspectorate, in order to provide a more bespoke service. Each ward will have a dedicated City Inspector to help resolve local street and premise-based issues. Further work to bring about improvements to the service will involve smart working, also involving improved reporting and monitoring of issues for residents and businesses.

Westminster Builds (WB)

- 4.2 WB has submitted its Business Plan for 2021-2022 to the Council for approval and this is scheduled for Cabinet decision on 26 April. The plan includes two key agreements between WB and the Council: a Shareholder's Agreement to set out control and management of the relationship with the Council, and a Service Level Agreement regarding joint working on completing projects and selling, letting and managing homes.
- 4.3 The Business Plan sets out a programme to deliver c.2,000 homes over the next 10 years. The proposals emphasise quality and sustainability, are developed in partnership with the Council and use Council resources.
- 4.4 WB is exploring opportunities to work collaboratively with other organisations, both private and public, including in London's Growth Corridors, in order to maximise its capacity to deliver value for money, while minimising risk.

5 Performance Updates

Rough Sleeping - Street Count

- 5.1 The CHAIN Westminster street count was carried out on 28 January 2021 by the Westminster St Mungo's team. A total of 111 people were seen in the borough, down from 242 in the previous November 2020 count and 244 in January 2020. This is the lowest figure on record since 2015 for an official count.
- 5.2 Of the 111 people encountered, 43 refused to give details and as such were unidentified on the night. Of the unidentified people seen, 14 had previously been seen by Outreach but declined to engage or give their name on every occasion. The Outreach team revisit the sites where "unknowns" are seen to try and engage with these clients and work with them towards a route off the streets.

Rough Sleeping - SWEP

- 5.3 During the recent cold weather, we have activated the Severe Weather Emergency Protocol (SWEP) over 25 days. We have offered accommodation to more than 250 people who needed our support.
- 5.4 The Ministry of Housing, Communities and Local Government (MHCLG) provided a 'Surge Winter Capacity' fund to Westminster with a baseline allocation of £210,000 in 2020/21 and agreed to an additional £100,000 to be allocated to winter pressures funding in February 2021.

Developments

- 5.5 Following planning submissions at the end of last year for Carlton Dene, Balmoral and Westmead schemes, planning committee hearings are anticipated in March/April 2021. The Carlton Dene proposals include a new extra care facility for Adult Social Care nominated residents as well as new general needs apartments and brand-new community and green space. The Balmoral proposals include 34 new community supported homes and 18 new high-quality affordable homes for local residents, along with landscaped green space. The Westmead proposals include over 60 new homes, to be delivered on the site of the former Westmead care home, from which residents have moved into the completed Beachcroft development.

Infill Schemes

- 5.6 The Lanark Rd scheme, involving the redevelopment of two garage sites into 8 social family homes, has started on site in February 2021. An additional package, involving building 6 social homes in a former office, laundry room and undercroft spaces, is due to complete construction in March 2021.
- 5.7 Across the Infill programme there are currently 145 homes either on site or at the pre-construction stage, with public consultation under way on a further 27 homes. The programme is preparing to commence consultation of another set of schemes in the coming months, which have the potential to deliver a further 26 homes.

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Housing, Finance and Regeneration Policy and Scrutiny Committee

Date:	Thursday 4 th March 2021
Classification:	General Release
Title:	Regeneration Programme
Report of:	Debbie Jackson
Cabinet Member Portfolio	Cabinet Member for Regeneration
Wards Involved:	All
Policy Context:	City for All
Report Author and Contact Details:	James Green 07816282059 jgreen@westminster.gov.uk

1 Executive Summary

- 1.1 This note aims to inform the committee regarding the impacts of the pandemic on the Council's regeneration and development programme, the London property market and the measures the Council is taking to mitigate property market volatility, overseas purchasers and the impact of individual buy to rent landlords.

2 Key Matters for the Committee's Consideration

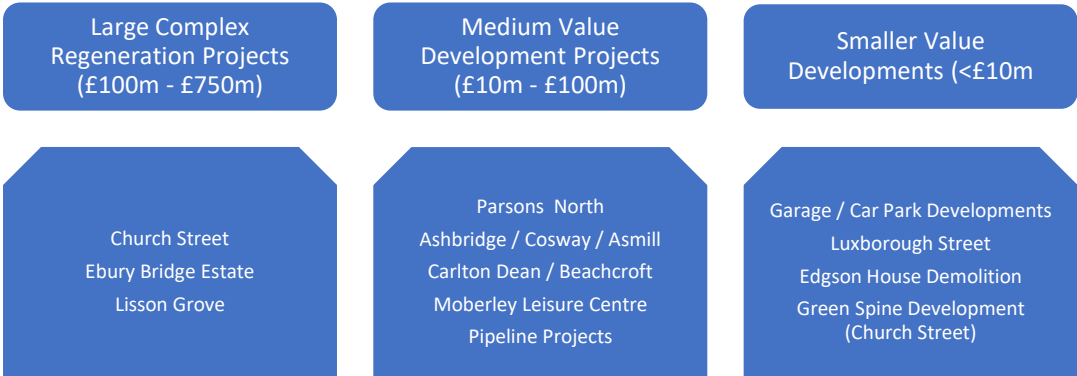
- 2.1 The report is intended to inform the committee of the measures being taken to mitigate the impact of the Covid-19 pandemic on the Council's development programme and demonstrate that a robust process is in place to ensure that the income generating market sale programme is safeguarded from the volatility of the London residential property market and provides every opportunity for local purchasers.

3 Background

- 3.1 The City is committed to the most ambitious house building programme for a generation. The Council is currently on track to deliver 1,850 affordable new homes by 2023 with sites for a further potential 2,000 new homes identified for delivery beyond that date. The delivery of the programme involves complex regeneration schemes at Church Street and Ebury Bridge Estate, public/private partnerships at Luton Street and Jubilee, as well as sensitive infill sites on existing council estates. The Council’s affordable homes programme is dependent upon cross-subsidy in the form of grant funding and income from market sale housing.
- 3.2 Exceptional and award-winning schemes require competent and committed strategic leads and operational staff from Development, Finance, Procurement, Legal and Communications with a shared objective, working in co-located project team environments delivering multi-faceted projects.

4 Development and Regeneration Programme (DRP)

4.1 The DRP comprises over 50 live projects of varying capital value and complexity and are at various stages of delivery - some are on site and being constructed whilst others have committed capital and are in the design development stages working towards submission for planning approval. The remainder of projects are in the scoping and feasibility stage to seek strategic or outline business case approval.



- 4.2 The Programme includes the two large, complex regeneration schemes at Ebury Bridge Estate and Church Street. Respectively, these schemes will deliver 750 homes over the next 10 years and 1,750 homes over the next 20 years.
- 4.3 Given the scale and nature of the programme, it is prudent to structure the projects to ensure that the large-scale, complex projects are phased so that we are not procuring several complex schemes at the same time. We have accelerated the delivery of some of the medium and smaller schemes to focus on a continued programme of delivery across the Borough. This means that we can successfully manage the large-scale schemes to a delivery phase as

these are critical for the overall achievement of the Council's target of 1,850 new affordable homes by 2023. (Appendix 1).

5 Impact of Covid-19 on the Development and Regeneration Programme

- 5.1 The Covid-19 pandemic has presented challenges to the continued productivity of the whole programme from early design through to construction, sales and completion. Overall, the WCC self-delivery programme has continued to drive forwards, although the risks of site closures / factory closures / logistics impacts remains until a greater percentage of the workforce has benefited from the vaccination programme.
- 5.2 Despite the current high attendance on sites (currently the sites have an average 95% attendance record for operatives), production on site has been impacted. With many sites reporting a drop in productivity of 20% - 25%. The reduced productivity results from limits of the number of operatives in small spaces, the reduced material storage space due to the requirement for additional welfare facilities, staggered start / finish times and one-way systems around the sites.
- 5.3 This sustained loss of productivity has impacted on the Council's 2020/21 capital spend projections for these projects, due to extended contract periods and slippage into 2021/22. Officers are working with contractors to determine whether schemes can be accelerated.
- 5.4 Officers have worked closely with the supply chain throughout the year to ensure that sites have continued to operate with a keen focus on the safety of the public and the workforce. As a result, 30% of the sites remained open throughout the first lockdown, with many of the sites re-opening ahead of the lockdown ending. There has been open dialogue and collaboration across the programme to ensure that the Construction Leadership Council advice and other best practice was shared and discussed with all contractors.
- 5.5 The impact of the pandemic on Registered Providers (RPs) and external developer activities is significant; this poses a material risk to the achievement of the Council's 1,850 affordable housing target by 2023. As the management and decision making on these schemes is largely outside of the council's control, this creates risk to the delivery of the target if schemes are delayed or do not come forward as forecast. In order to mitigate this risk, we work with the Affordable Housing Team to monitor these projects and assess quarterly updates provided by RPs (report due March '21). Work is underway to assess additional opportunities and understand if any schemes within the existing programme can be accelerated.

- 5.6 Officers have used technology including the Microsoft suite and Building Information Management (BIM) to maintain productive engagement with the supply chain, holding virtual design and progress meetings, and using remote cameras to monitor site activity.
- 5.7 On-line public communication events for planning consultations and construction updates have proved to be popular with the community and have delivered valuable engagement across schemes.
- 5.8 The impact of Covid-19 will continue to create significant risk across the development programme. This is particularly evident on schemes within the delivery phase, where the prioritisation of vaccine roll-out means that the majority of construction site workforce is unlikely to be vaccinated until late 2021 and the need to manage the risk of site closures, sudden loss of operatives and impact on programme delivery.
- 5.9 The private developer market is continuing to assess their options due to the ongoing implications of Covid-19, along with their business strategy for central London and what this means more broadly for development across their portfolios. We are working with them to assess the impact on the Councils affordable housing delivery targets and opportunities that may arise, such as stepping in to assist with delivery.
- 5.10 Changes to guidance from the Construction Leadership Council, or increased restrictions could cause additional delays to work. Measures currently in place to reduce risk, may impact productivity even if workforce is available. Manufacturers are also susceptible to closure and staff shortages for the reasons above. The supply chain remains fragile following closures across the UK and mainland Europe in 2020.
- 5.11 The team continues pro-active engagement with contractors and consultant across the programme to understand and manage potential impacts. We also work with our supply chain to share best practice in respect of safe methods of working, additional welfare space, parking arrangements and changes to site operating hours where permitted.
- 5.12 The continuing impact of the pandemic also creates risk for the development sales programme as detailed in the following sections.

6 Impact of Covid-19 on the Residential Market

- 6.1 The residential market has been directly affected by COVID-19 across tenures. Savills quarterly market update further clarifies that whilst positive sentiment has

started to return with a spike in sales rates and values, 2021 continues to be described as a year in three parts.

- 6.2 Q1 2021 has seen continued rise in number of transactions and property prices as purchasers take advantage of the stamp duty holiday deadline. Most of the demand continued from the UK domestic market and Asian purchasers alongside those from the Middle East, reflecting the international nature of the central London market.
- 6.3 Greatest impact is predicted for the middle of the year, Q2, where the end of the SDLT holiday coincides with likely unemployment as the furlough scheme comes to an end and businesses reassess plans, along with continued restrictions on international travel.
- 6.4 Q3/Q4 2021 is predicted to see market improvements as unemployment falls and low interest rates are restored which will aid market demand. The predicted increase in demand will also be aligned with confidence with the roll out of the Covid-19 vaccine. This is likely to be felt most keenly in Westminster and the Central London market which has been held back by international travel restrictions and where demand is expected to return strongly once travel resumes.
- 6.5 Against the backdrop of Covid-19 restrictions, the acute housing undersupply across London has been exacerbated by Covid-19 with new housing starts falling to an average of 12,500pa. This will underpin price and rental growth in the Capital as the market returns to chronic undersupply.
- 6.6 This indicates that demand is likely to have recovered by 2022/2023, when the next schemes are programmed to launch on the market. These will include Cosway Street, 300 Harrow Road, Ebury Phase 1 and Jubilee.

Prime Central London Growth Forecasts % – Capital Growth					
2020	2021	2022	2023	2024	2025
-2.5	2.5	6.0	4.0	3.0	3.5
Prime Central London Growth Forecasts % – Rental Growth					
-3.5	0.5	3.0	3.0	3.0	2.5

*above table taken as an average opinion of JLL and Savills growth forecasts dated Q1 2021/Q4 2020. JLL have only provided predictions for 2025

7 Mitigating Sales Risk – Assessing Value

- 7.1 At every stage, projects are subject to a rigorous viability process including completion of a RICS Red Book Valuation by an external agent. The Red Book benchmarks the project against achieved values on similar schemes and the second-hand market in the area, providing an independent valuation which the Council can place reliance upon.

- 7.2 Red Book valuations are undertaken by external agents independent from the sales team working on the scheme, following RICS cross industry standards, and ensure the values reflected in project appraisals do not include an unconscious optimism bias.
- 7.3 When reviewing viability, i.e. as part of a business case, a project may choose to consider future inflation and regeneration value of the scheme, both increasing the potential achievable values. This is a reasonable assumption where a programme may be more than 5 years from completion and values may be expected to grow materially before they are marketed.
- 7.4 Inflation assumptions are reviewed constantly by finance and reflect a range of opinions, smoothed to avoid exaggerating inflation.
- 7.4 However, the Full Business Case for each project always reflects the latest Red Book valuation, based on net achieved values, ensuring the Council budgets prudently and does not over commit resources in hope of a future return that may not materialise.
- 7.5 A prudent approach to capital receipts limits the impact of a drop in the market on the wider capital strategy. To further insulate the programme, each project holds contingencies to absorb increased costs but also falls in capital receipts.
- 7.5 As a result, the Council is more likely to outperform its assumptions, with the benefits released to the wider capital programme as receipts are received, rather than in the Council's baseline position.
- 7.6 Alongside a robust assessment of the capital receipts the development sales team are involved in the early stages of the process to ensure that schemes are optimised whilst the proposed specification appropriate for the market and within the cost plan.
- 5.2.6 Instructed agents are required to provide detailed pricing assessments for each scheme, accounting for an appropriate level of asking prices having regard for market comparable evidence and performance, and to allow for an appropriate margin above business plan requirements to allow for their agency fees, legal incentives and dealing margins to be provided for.
- 5.2.7 Cabinet Member approval is sought in advance of acceptance of any offers for delegated authority to accept within the dealing margin and the offers received are subject to challenge on receipt.
- 5.2.8 By having tailored marketing strategies for each site, and the instruction of an appropriate team, the sales programme has continued to perform to business plan requirements throughout the pandemic.

Mitigating Sales risk – Macroeconomic Impacts

- 7.1 Any sales programme will be exposed to risks outside of the control of the developer and the Prime Central London Market recently has been clouded by the uncertainty of Brexit and Covid-19 as well as their secondary impacts of potential recession and a fall in attractiveness of London to purchasers.

- 7.2 The Council receives regular updates across its programme and centrally on the impact of macroeconomic factors on its sale programme and how this feeds through to the wider capital strategy.
- 7.3 Consensus opinion is that majority of Covid-19's impact on the economy will be recovered in the next few years, assuming no further Covid restrictions are required. Westminster are well placed to capture the growth in the market as only one scheme is expected to launch in 2021/22, with the largest part of the Council's sales programme following in 2022/23 onwards.

7.3 Mitigating Sales risk – Minimising Overseas sales

- 7.3.1 At the outset of each scheme, an appropriate sales strategy is obtained from the instructed sales agents applicable to each site which accounts for an assessment of both the domestic and international markets.
- 7.3.2 Each strategy is centred on a 'local priority first' strategy whereby marketing is only undertaken domestically for a dedicated period prior to any international marketing if relevant for the scheme.
- 7.3.3 For Carrick Yard/Luton Street, the priority period for domestic marketing alone was for 3 months from March 2020 to June 2020 with priority period of 7 weeks alone for domestic purchasers to reserve at the scheme. Any offers received from international applicants during that time were on hold until after the priority period.
- 7.3.4 Although there was a subsequent launch in June 2020 in HK & Shanghai, there are no current plans for any further international events and the current marketing strategy has reverted to a domestic only approach. Focus now is driving domestic owner occupier interest to the marketing suite (programmed for March 2021) through the agreed communications and media plan and the show homes that are programmed for completion in September. This domestic only marketing approach is consistent across the development sales programme including schemes at The Masefield and Venice Court.
- 7.3.5 For Venice Court and The Masefield, although there has been no international marketing at all, or international events, international interest has been received following the release of the websites. Any offers that have been accepted from any purchasers living overseas – whether moving to London as an owner occupier, or as an investor – have been accepted only after a similar dedicated domestic priority period. Domestic owner occupiers for both schemes remain the dominant purchasers.

7.4 Mitigating Sales Risk – Minimising Buy to Let Landlords

- 7.4.1 Across the development sales programme, interest is seen across the purchaser profile from first time buyers to families and downsizers. Interest is also seen from those purchasing as an investment with a view to renting the properties and acting as a landlord.

- 7.4.2 Analysis of the those that have brought to date as investors has broadly been seen within the following categories;
- 7.4.3 Purchasing as a short-term investment; this has included parents buying properties on behalf of children of secondary school age who will be going to university. View to rent prior to children occupying whilst at university or within early stages of their careers. Parents to then to become owner occupiers when downsizing.
- 7.4.4 Purchasing as a short-term investment: purchasers who will be downsizing in the future and will be living within the schemes as owner occupiers. Purchasing with pension monies with a view to rent on a short-term basis prior to occupation.
- 7.4.5 Purchasing as a short-term investment: purchasers who are currently living abroad but are moving to London and will be living within the schemes as owner occupiers. View to rent prior to occupation.
- 7.4.6 Purchasing as a longer-term investment and to hold as a buy to let landlord.
- 7.4.7 For any reservations that are accepted from buy to let investors, these are subject to set lease terms. This is particularly relevant for those holding as a longer term buy to let landlord.
- 7.4.8 The lease terms across the Development Sales Programme are very clear and prohibit short term lets (less than 3 months) and occupation for holiday or vacation lets.
- 7.4.9 This therefore restricts any purchasers acquiring an apartment for air bnb, holiday lets, or to secure short term high rental lets.
- 7.4.10 For those that are buying as a rental investment, this must be on an assured short hold tenancy basis or other form of unprotected tenancy if it is for a fixed term of 12 months or less. This removes the ability for the tenant to obtain security of tenure.
- 7.4.11 For any periods longer than 12 months, where the lessee wishes to underlet, rather than sublet, the lessee must seek Landlord (WCC) written consent (not to be unreasonably withheld or delayed).
- 7.4.12 Continued assessment of the above also forms part of the managing agent contract whose responsibility will also include managing any requests for tenancies and to seek approval from the Council as Landlord to proceed.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact Report Author 07816 282059
jgreen@westminster.gov.uk

Appendix 1 - 1850 Target Project List

Scheme	Provider	Stage
<i>1 Chadwick Street</i>	RP	Complete
<i>Balcombe Street</i>	WCC	Complete
<i>Beachcroft</i>	WCC	Complete
<i>Blomfield Villas</i>	WCC	Complete
<i>Buckingham Palace Road</i>	RP	Complete
<i>Dixon Butler Mews</i>	RP	Complete
<i>Dixon Butler Mews/ Woodfield Mews - Wood House</i>	RP	Complete
<i>Dolphin Square - The Maida Centre</i>	RP	Complete
<i>Dorset Close</i>	RP	Complete
<i>Dudley House</i>	WCC	Complete
<i>Edgware Road</i>	WCC	Complete
<i>Elgin Estate</i>	RP	Complete
<i>Gloucester Terrace</i>	WCC	Complete
<i>Greek Street - Complete</i>	RP	Complete
<i>Hathaway House</i>	RP	Complete
<i>Jubilee Sports Centre - Cannon House</i>	RP	Complete
<i>Ladbroke Grove - St Johns Wood Terrace</i>	RP	Complete
<i>Mozart Estate Office - Bruckner Street</i>	RP	Complete
<i>North Wharf Gardens Paffington</i>	RP	Complete
<i>North Wharf Road</i>	RP	Complete
<i>Plympton Place</i>	RP	Complete
<i>Queen Anne's Gate</i>	RP	Complete
<i>Rathbone Place</i>	RP	Complete
<i>Self Financing</i>	WCC	Complete
<i>Spots - WCH - Intermediate Rent</i>	RP	Complete
<i>Spots - WCH - Social Rent</i>	RP	Complete
<i>Spots purchases - WCC</i>	WCC	Complete
<i>Tollgate Gardens</i>	WCC	Complete
<i>Tothill House</i>	WCC	Complete
<i>Westbourne Park - Dolphin Square</i>	RP	Complete
<i>Westbourne Park Baptist Church</i>	RP	Complete
<i>WCH Spot Purchase</i>	RP	Complete

Ashbridge	WCC	Construction
Ashmill	WCC	Construction
Berwick Street	WCC	Construction
Cleveland Street	RP	Construction
Cosway Street	WCC	Construction
Dora House	RP	Construction
Edinburgh House	WCC	Construction
Ergon House	RP	Construction
Falkirk House	WCC	Construction
Farm Street	WCC	Construction
Greek Street	RP	Construction
Helmsdale House	WCC	Construction
John Aird Court	WCC	Construction
Lanark Road	WCC	Construction
Lisson Arches	WCC	Construction
Luton Street	WCC	Construction
Melrose & Keith	WCC	Construction
Moberly and Jubilee	WCC	Construction
Moxon Street	RP	Construction
New Scotland Yard	RP	Construction
Ordnance Mews	WCC	Construction
Parson's North	WCC	Construction
Sunderland House	WCC	Construction
West End Gate	WCC	Construction
Whiteleys Centre	RP	Construction
Adpar Street	WCC	Procurement
Cirencester (Senior Street)	WCC	Procurement
Cochrane Street (Wellington Street)	WCC	Procurement
Desborough	WCC	Procurement
Glastonbury House	WCC	Procurement
Lapworth Court	WCC	Procurement
Luxborough	WCC	Procurement
Queens Park Court	WCC	Procurement
Torridon Car Park	WCC	Procurement

<i>MOT Yard</i>	RP	Design & Development
<i>Palace Court</i>	RP	Design & Development
Self Financing	WCC	Design & Development
SPOT Purchases WCC	WCC	Design & Development
SPOTS WCH	RP	Design & Development
<i>St John's Terrace - VW2</i>	RP	Design & Development
<i>Victoria Wharf 2</i>	RP	Design & Development
<i>Wardour Street</i>	RP	Design & Development
Alexandra Buildings - Castle Lane	RP	Design & Development

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