

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 14 November 2016	<b>Meeting Name:</b> Overview and Scrutiny
<b>Report title:</b>		New Homes Delivery Programme	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>Cabinet Member:</b>		Councillor Mark Williams, Cabinet Member for Regeneration and New Homes	

## **BACKGROUND INFORMATION**

1. The cabinet established the Independent Housing Commission in January 2012 in order to secure an unbiased perspective and make recommendations and conclusions for an investment strategy of up to 30 years. On 16 July 2013 cabinet considered the conclusions and next steps following community and stakeholder engagement and set out the council vision to deliver 11,000 new homes by 2043.
2. On 27 January 2015, the cabinet agreed its new long term housing strategy for the borough including specific commitments for increasing housing supply, including building 11,000 new council homes for social rent by 2043.
3. On 25 February 2015 Council Assembly endorsed the Council Plan to 2017/18 which included the Fairer Future Promise- Quality affordable homes, which states 'We will improve housing standards and build more homes of every kind, including 11,000 new council homes'
4. The council has set out its vision for the future of council housing and has continued its detailed conversation with residents about this.

## **KEY ISSUES FOR CONSIDERATION**

### **WHAT HAS BEEN ACHIEVED – OVERALL POSITION**

5. The council has already delivered 227 council homes for residents across Southwark.
6. A further 179 council homes are on site.
7. In addition to those homes on delivered or on site there is a pipeline estimated over 1200 council homes that are in earlier stages of the development process and consultation is continuing in line with the Charter of Principles.
8. The Charter of Principles is also being followed to consult with residents prior to seeking delegated approval from the cabinet member for regeneration for inclusion of further sites into the development pipeline for the New Homes Programme.

## What has been achieved – direct delivery of new homes

9. The Willow Walk site previously housed temporary accommodation and was developed to create a total of 75 council homes through two blocks of accommodation. Ros Stark house was completed in August 2015 and is now providing 54 short stay accommodation units. 1 O'Reilly Street, completed in November 2015 is now providing residents homes in 21 general needs housing units in the form of flats for social rent. This development has been recognised and placed as highly commended at the LABC Building Excellence Awards 2016 within the “Best social or affordable new housing development” category.
10. Clifton Estate Garages (*1-8 Parish Apartments, 7 Clayton Road, London SE15*) completed in July 2016 providing 8 council homes, Masterman House Garages (*Flats 1-25 Piper Court, 8 Lomond Grove, London SE5*) completed in September 2016 providing 15 council homes as well as homes for sale.
11. 169 Long Lane (Flats 1-19 Villiers Court, 167 Long Lane, SE1 & 115 Weston St) created 21 new council homes and a commercial unit completed in October 2016.
12. There are a further 5 developments that are on site, delivering 123 council rented homes, 28 intermediate homes and a community centre. These homes are expected to be completed in 2016/17, except Sumner Road which only started in 2016. A number of these developments have been named following consultation with local residents. The new addresses are noted in brackets.
  - Gatebeck House (Gatebeck House)
  - Southdown House (Southdown House)
  - Cator Street Extra Care (Tayo Situ House)
  - Nunhead Site B (Candle Grove / Nunhead Lane)
  - Sumner Road (Blossom Court)
13. Lakanal Shops New Build has planning permission and is due to start early next financial year.
14. The following have been submitted for planning:
  - Tenda Road Car park
  - 35-41 Nunhead Lane
  - Pelier Street
  - Meeting House Lane
  - Daniels Road Car Park
15. The following are expected to submit planning shortly:
  - Haddonfield Estate garages
  - Commercial Way
  - Kinglake Street Garages
  - Goschen Estate
16. The remaining sites at various stages in the development process and consultation is continuing in line with the Charter of Principles:
  - Canada Estate
  - Lugard Road Garages
  - Fenham Road Garages
  - Welsford Street Garages
  - Rye Hill Park Garages

- 39-44 Rutley Close
  - Seavinton House and Garages
  - Salisbury Est Car Park (Balfour Street)
  - Mayflower T&RA Hall
  - Tissington/Silverlock Estate underground garages
  - Sceaux Gardens (Florian and Racine including some garages)
  - Slippers Estate (Car Park), SE16
  - Land 61-91 Brisbane Street (Elmington Estate)
  - 66 Linden Grove (TA)
  - Sedgemoor Place (TA)
  - Bassano Street (Garages)
  - Henslowe Road (Garages)
  - Vestry Road (Lettsom T&RA Hall)
  - Abbeyfield Estate - Bede Centre site
  - Maydew House (additional build on top)
17. Employers Agents and Architects have been appointed through an existing OJEU compliant framework available for use by local authorities. Approval was given to enter into joining agreements with Peabody and Hyde to use their framework agreements. The architects will design the schemes to achieve planning and enable the schemes to be tendered on a design and build basis.
18. Three gateway 1 reports have been approved the strategy to procure contractors for schemes listed above and future schemes up to March 2019, the Gateways cover schemes which are: under OJEU procurement levels (£4.1m); over OJEU levels up to £10m; and over £10m, the latter of which was approved by Cabinet on 7 June 2016.
19. Consultation continues with residents on a number of other potential sites for inclusion in the programme. These sites will then be included in an IDM for the cabinet member for new homes and regeneration.

### **Hidden Homes Programme**

20. Hidden Homes programme delivers new homes in existing properties or estates. The programme has already delivered 28 new council homes and there are currently four homes on site.

### **Building on top**

21. The council is currently investigating whether it will be possible to build additional units on top of the existing homes.
22. Some possible opportunities are being investigated further and discussed with residents in line with the Charter of Principles. If residents support in principle the possibility of helping deliver more homes then more detailed structural surveys would be carried out to see if the proposals were technically feasible and viable.
23. Building on top has a number of potential advantages including the extra council homes that it will deliver and there being no additional land requirement. It is expected that the residents of the blocks will benefit from additional works such as roofing work and building cladding that will improve thermal comfort and reduce resident's bills.

24. Officers are investigating a number of existing buildings where additional units have been added on top in order to learn lessons and find innovative design. This will ensure that any project involving building on top in Southwark will deliver homes that the borough can be proud of for years to come.

### What has been achieved –Southwark Regeneration

25. The Southwark Regeneration in Partnership Programme (SRPP) was made up of 18 sites, packaged into two lots (Lot A and B), that will deliver over 500 new council homes.

SCHEME NAME	RESIDENTIAL UNIT NUMBERS			
	Social rent	Intermediate	Sale	TOTAL
Copeland Road car park, SE15 (Lot B)	24	18	25	<b>67</b>
Peckham Library Square Peckham high street, SE15 (Lot B)	6	3	10	<b>19</b>
Petrol Station, 233-247 Old Kent Road SE1 (Lot B)	11	0	12	<b>23</b>
Flaxyard site, Sumner Road SE16 (Lot B)	97	24	0	<b>121</b>
21/23 Parkhouse Street (Lot B)	10	2	20	<b>32</b>
Council Offices - Sumner House, Sumner Road SE15 (Lot B)	0	0	48	<b>48</b>
Brandon Baptist Centre & Land Redcar Street SE5 (Wyndham) (Lot B)	74	0	40	<b>114</b>
Land at Angel Oak Academy, Chandler Way SE15 (Lot B)	26	32	27	<b>85</b>
ASC facilities - Fred Francis Centre, 269 Lordship Lane SE22 (Lot B)	16	0	16	<b>32</b>
Wickway Community Centre, St George Way SE15 (Lot B)	20	15	30	<b>65</b>
Albion St (Civic Centre site) SE16	22	0	0	<b>22</b>
Shops & Council Offices, Manor Place /Stopford Road SE17	30	0	30	<b>60</b>
Workshops, 42 Braganza Street SE17	18	0	15	<b>33</b>
South Dock Marina, Plough Way SE16	65	0	121	<b>186</b>
Albion Primary School Land, Albion Street SE16	50	0	0	<b>50</b>
Cherry Gardens School, Macks Road SE16	15	19	16	<b>50</b>
ASC facilities - Day Centre, 345 Southwark Park SE16	15	0	20	<b>35</b>

26. The two lots were tendered through the London Development Panel Framework.
27. Bids were received for Lot B and following tender evaluation and further due diligence Affinity Sutton will be awarded the contract in November 2016 to deliver Lot B. Affinity Sutton are working to an agreed delivery timetable starting with the sites that the council has identified as 'quick wins' within Lot B.
28. No bids were received for Lot A. A few of the Lot A bidders have commented on market uncertainties at the moment, particularly for the sale of the high value private properties. This is consistent with the council's own research and feedback which demonstrates that in high value areas the market for private sales has stagnated due to factors outside the council's control such as

government interventions on stamp duty and buy-to-let, Brexit and general market uncertainty.

29. Officers are addressing this general market uncertainty by repackaging the sites to improve marketability and by lowering development risks with the aim of retendering in the spring of 2017. To this end, officers are continuing efforts to complete public consultation, submit planning applications, initiate the Housing Zone funding draw down process and achieve vacant possession.
30. Design feasibility and pre-application assessments have been undertaken for all of these sites. Consultation is underway in line with the Charter of Principles for the sites. A majority of the sites have completed Stage 2 design and feasibility and planning applications are being progressed for the following sites within as 'quick win' sites, in order to achieve an earlier start on site:
  - a. Civic Centre, Albion Street, SE16
  - b. Shops & Council Offices, Manor Place/Stopford Road, SE17
  - d. Workshops, 42 Braganza Street, SE17
  - e. Car Park Site Copeland Road, SE15
  - f. Flaxyard Site Sumner Road, SE15
  - g. Petrol Station, 233-247 Old Kent Rd, SE1
  - h. Land at Peckham Library Square Peckham High Street, SE15
  - i. 21/23 Parkhouse Street, SE5
31. Design development is also progressing on South Dock Marina Boatyard. Following feedback from earlier consultation, the original proposals are being revised with new designs that will address concerns about height and massing. These were presented to the public in September 2016. There will be further consultations and it is expected that the scheme will be procured separately in 2017.
32. The Greater London Authority has confirmed £50m funding for two housing zones, Canada Water and Old Kent Road-Peckham, as part of the £600m in funding made available by the Mayor and government for the construction of 75,000 new homes. This will enable funding necessary to ensure delivery of the proposed affordable housing.

### **What has been achieved – Section 106 (s106) purchases**

33. It was always envisaged that s106 purchases would contribute to the delivery of new homes. The council has secured two sites that will deliver new council homes. In 2015/16 the council has purchased homes on two developments delivering 80 social rented homes as well as 10 intermediate homes.
  - Surrey Docks has handed over providing 24 homes for council rent and 10 intermediate homes.
  - Blackfriars will not complete until 2017/18.
34. The council is in talks with developers over further s106 purchases across several sites. The council are investigating a number of potential s106 acquisitions to complement those already completed.

### What has been achieved – Leathermarket CBS

35. In July 2016 a grant to a maximum sum of £9.252m was granted to Leathermarket Community Benefit Society Limited (CBS) has been provided by the council in order for a development of 27 new council funded homes at council rents on the Weston Street Garages (Kipling Garages). The scheme is due to start on site later in 2016.
36. The CBS plans to develop a further 37 units at Joseph Lancaster Nursery (Deverell Street).

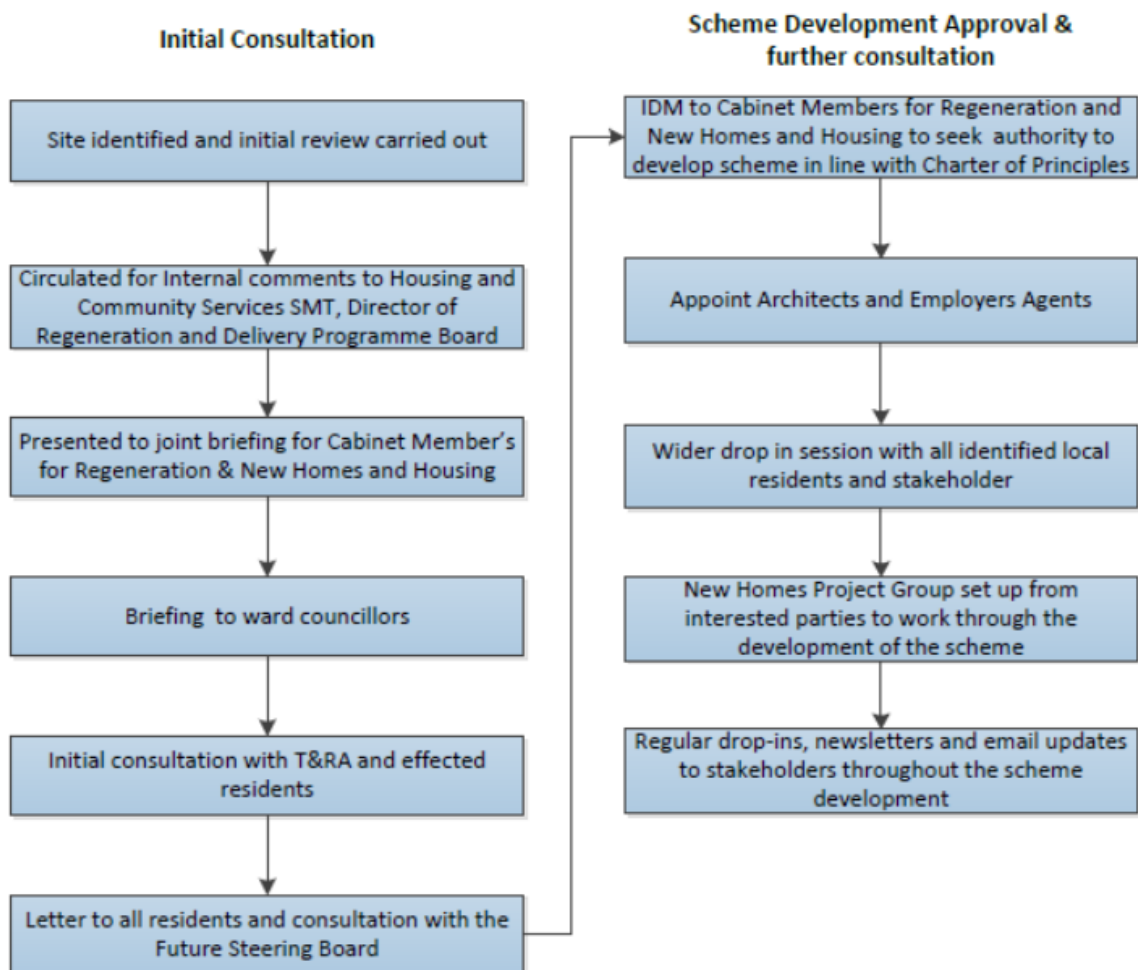
### What has been achieved – Charter of Principles

37. The council has committed to a four-stage consultation approach to ensure residents' views remain central to decisions relating to the delivery of the 11,000 new council homes.

Stage	11,000 council homes – stages of public consultation	Time frame	Update
Stage 1	Charter of Principles	August – October 2014	Completed
Stage 2	Borough-wide principles for development	January – September 2015	Completed
Stage 3	Estate-by-estate/ site specific engagement	Autumn 2015 onwards	Ongoing
Stage 4	Engagement with local residents around involvement in management of new homes	As various projects near completion	Ongoing

38. Stage 1 of the consultation was completed in October 2014, with cabinet approving the resulting Charter of Principles - a framework for consulting residents of Southwark on the on-going delivery of 11,000 new council homes - on 18 November 2014. Over 2,000 responses were received at this stage of consultation, demonstrating the potential for resident involvement in this historic project.
39. Stage 2 was completed in September 2015 with a report going to Cabinet in November 2015. This established borough wide principles for development. Over 2,500 people took part in the consultation focusing on where we could build the 11,000 new council homes, what these homes look should like and how we can we make these homes and neighbourhoods better places to live. Cabinet acknowledged the significant number of responses indicating the importance of high quality design indistinguishable from private housing, safe and well-lit areas and good access to public transport and GPs. Cabinet also noted that the majority of respondents expressed that new council homes should be highly energy efficient, well sound-proofed and spacious to cater for families, and for there to be well-maintained green space, communal sports facilities and opportunities for residents to interact at community events.
40. The feedback has been further incorporated into delivery plans through the design guide that has been delivered which in turn informs the employers requirements that have also been agreed.

41. Stage 2 included an interactive map for suggestion on where homes could be built and the list of suggested sites have been passed to planning for an initial investigation into their feasibility. In total we received 92 responses:
- 46 responses were not taken forward in terms of identifying new sites as they either suggested where not to build, were comments unrelated to building council homes, unclear or vague, referred to a permitted development site or related to a site with a land use designation (such as open space) which would limit opportunities for redevelopment
  - 19 responses were on privately owned land
  - 28 sites were identified on council land require further investigation and, if viable, will be taken forward in line with the Charter of Principles
42. Stage 3 of the 11,000 new council homes consultation is also now underway with consultation plans for each new site, in line with the Charter of Principles. A location-specific plan of engagement is planned for each site to ensure that all residents and local stakeholders can be involved in the development of new homes.
43. For all the sites identified since the agreement of the Charter of Principles consultation has included a variety of ways that residents can be involved using the location-specific plan of engagement. In general this has followed the format below, although specific engagement plans will be drawn up depending on the site and feedback from stakeholders.



44. Responses to the consultation and proposals have generally been positive though this has varied depending on the site and proposals. Following the initial drop-in sessions, in most cases a New Homes Project Group is established. In order that those taking part in the group can play an active role, the initial meeting is chaired by a 'Tenant's Friend', and includes a training session. The groups are formed on a task and finish basis and will continue to meet throughout the life of the project, as outlined below. Where there is insufficient interest in forming a group, the consultation is tailored appropriately, and could include additional drop-in sessions, newsletters and attendance at T&RA meetings.
45. The New Homes Project Groups (NHPG):
- act as the first point of consultation throughout the life of the project and to consider and make comment on the following key issues related to the development;
  - advise the council on how to ensure all residents affected by the site have an opportunity to comment on and review any proposals, and support the council in delivering local engagement
  - ensure that the council are aware of local issues that might impact on the proposals
  - identify local priorities that could be met and benefits that might be delivered alongside the scheme or ways to improve the estate as part of the scheme.
  - ensure that the council provides information in a timely and appropriate way to the NHPG and residents affected by the development.
  - comment on and advise the Council on significant publicity material the council produces linked to the delivery of the new homes.
  - continue to meet during the delivery phase of the project to gather resident feed back on delivery progress and discuss and propose solutions to issues that arise during delivery phase.
  - monitor the progress of the delivery of the new homes by providing feed back to monthly contractors monitoring meetings and raise any queries regarding the progress/ manner in which the build is progressing.
46. Stage 4 of the consultation is engagement with local residents around involvement in management of new homes. Where new homes are built close to existing TMOs discussions will take place about the new homes being managed through the local TMO.
47. On other sites discussions with residents about greater involvement in the management of their homes will take place post allocation.

### **The Future Steering Board**

48. The Future Steering Board (FSB), a group of tenants and leaseholders nominated by their respective tenant and homeowner councils, supported by an independent resident's friend, continues to play a crucial role in providing detailed feedback to the council's policies and proposals in this area. They maintain an active role in the development of new homes and have visited and provided feedback on the Clifton Estate Garages (Parish Apartments) and Willow Walk.



## **What Has Been Achieved – Development of the Design Guide**

49. Southwark Design Guide is a client brief to design consultants and contractors that is based around 15 design values the council wants for its new homes. The Southwark Design Guide was approved by the cabinet in November 2015 and was developed alongside the boroughwide consultation.
50. The design values are:
1. Promote equality, diversity and social cohesion through tenure blind design.
  2. Provide a wide range of dwelling types and sizes that respond to different household sizes, ages, circumstances and lifestyle choices.
  3. Create a legacy of high quality buildings and spaces and places where these can be justified through a long-term approach.
  4. Involve residents every step of the way.
  5. Enhance the character, identity and psychology of an existing place – or create new places that have this potential.
  6. Be open to new ideas, innovation and the benefits of smart and sustainable technology without taking undue risks.
  7. Reduce capital cost by using space wisely in buildings that are straightforward to construct.
  8. Keep rents, service charges and general running costs down by using robust, good quality materials and designing for low maintenance and light-touch management.
  9. Reduce health and social care costs by making homes and neighbourhoods safe, comfortable, accessible and adaptable to changing need.
  10. Take a ‘lean, green and clean’ approach to energy consumption to reduce fuel poverty and protect the natural environment.
  11. Support family life and individual health and well-being by creating healthy environments that value privacy as well as sociability.
  12. Improve life chances and encourage social mobility by providing space to study and work and for recreation and play.
  13. Provide opportunities for social interaction and civic participation.
  14. Create homes and places where people feel they have ownership, and are proud to live in and want to care for.
  15. Seek to spread regeneration benefits beyond the immediate site boundary and ensure that new development takes account of future plans and looks for wider opportunities.

## **What Has Been Achieved – Development of Employer’s Requirements and procedures**

51. Leading on from the development of the design guide, a set of generic Employers Requirement (ERs) have been developed. The ERs sets out the councils requirements for Contractors to maximise values by ensuring a high quality product whilst driving out waste in terms of unnecessary cost, inefficient programme, inappropriate product selection and sub-standard workmanship. The ERs reflect the need to provide long term assets which enhance the council asset base and take into account the need to minimise future maintenance requirements. They also reflect the lessons learned from schemes completed and good practice developed across the Asset Management division. A specific set of ERs will be developed for each scheme.
52. A set of procedures has been developed for the management of the new homes programme. The guide was developed in partnership with an experienced affordable housing consultant and drew on best practice in the industry. The

guide sets out the steps that need to be taken in identifying, acquiring and bringing forward sites for development and delivering successful housing projects.

## **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	The programme in pictures
Appendix 2	Design Brief