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# Homes for Lambeth Joint Delivery Plan

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Lambeth

# Introduction

## *Background*

- Homes for Lambeth established to deliver over 4,000 homes, including a substantial number of affordable homes
- Three-year Business Plan approved in March 2020 that set out the proposed programme, policies and programme viability position

## *Joint Delivery Plan ('JDP')*

- Acknowledging that the programme is one year into the three-year approved Business Plan, it covers:
  - Report on progress made over the last year
  - Outline planned activities for the coming year
  - Any material variances against the approved Business Plan and/or in the long-term programme forecasts

## *Approval sought*

- The Panel is asked to review the JDP contents in this presentation and to recommend the JDP to Cabinet.

# Coverage

## *Presentation overview*

1. HFL Build update
2. HFL Homes update
3. HFL Living update
4. Re-housing and compulsory purchase
5. Programme viability update
6. Sustainability
7. Resident Engagement and Social Investment
8. Liveability
9. Governance
10. Homes for Lambeth budget and Key Performance Indicators

# HFL Build

## Highlights over the year

- Five planning consents secured over the last year which will deliver 123 homes (74% of which will be affordable)
- South Lambeth Estate Phase 1 has started on site
- Through further design work, an additional 47 homes have been identified for delivery across the programme

## Delivery of homes

	FY2020-21	FY2021-22	FY2020-21	FY2021-22
Tenure of homes	To end of year 3 *	To end of year 3 *	To end of year 5 *	To end of year 5*
Council Level Rent	223 (58%)	265 (76%)	439 (37%)	441 (37%)
Other regulated rent **	54 (14%)	9 (3%)	91 (7%)	91 (8%)
Intermediate***	25 (7%)	33 (9%)	119 (10%)	128 (11%)
<i>Sub-total affordable</i>	<i>302 (79%)</i>	<i>307 (88%)</i>	<i>649 (54%)</i>	<i>660 (56%)</i>
Private Sale	81 (21%)	42 (12%)	547 (46%)	524 (44%)
<b>Total****</b>	<b>383 (100%)</b>	<b>349 (100%)</b>	<b>1,196 (100%)</b>	<b>1,184 (100%)</b>

\*Number of homes (percentage of total homes within period).

\*\* London Affordable Rent and London Living Rent

\*\*\*the 'Intermediate' homes include a provision of Shared Ownership homes for existing homeowners who wish to remain on the estates. They will pay no rent on any additional value over and above the value of their existing property, in line with the Key Guarantees.

\*\*\*\* the number of homes comprising affordable homes completed by HFL, s.106 schemes completed at Westbury, Fenwick, and Ethelred (Lollard Street) estates, and private homes completed.

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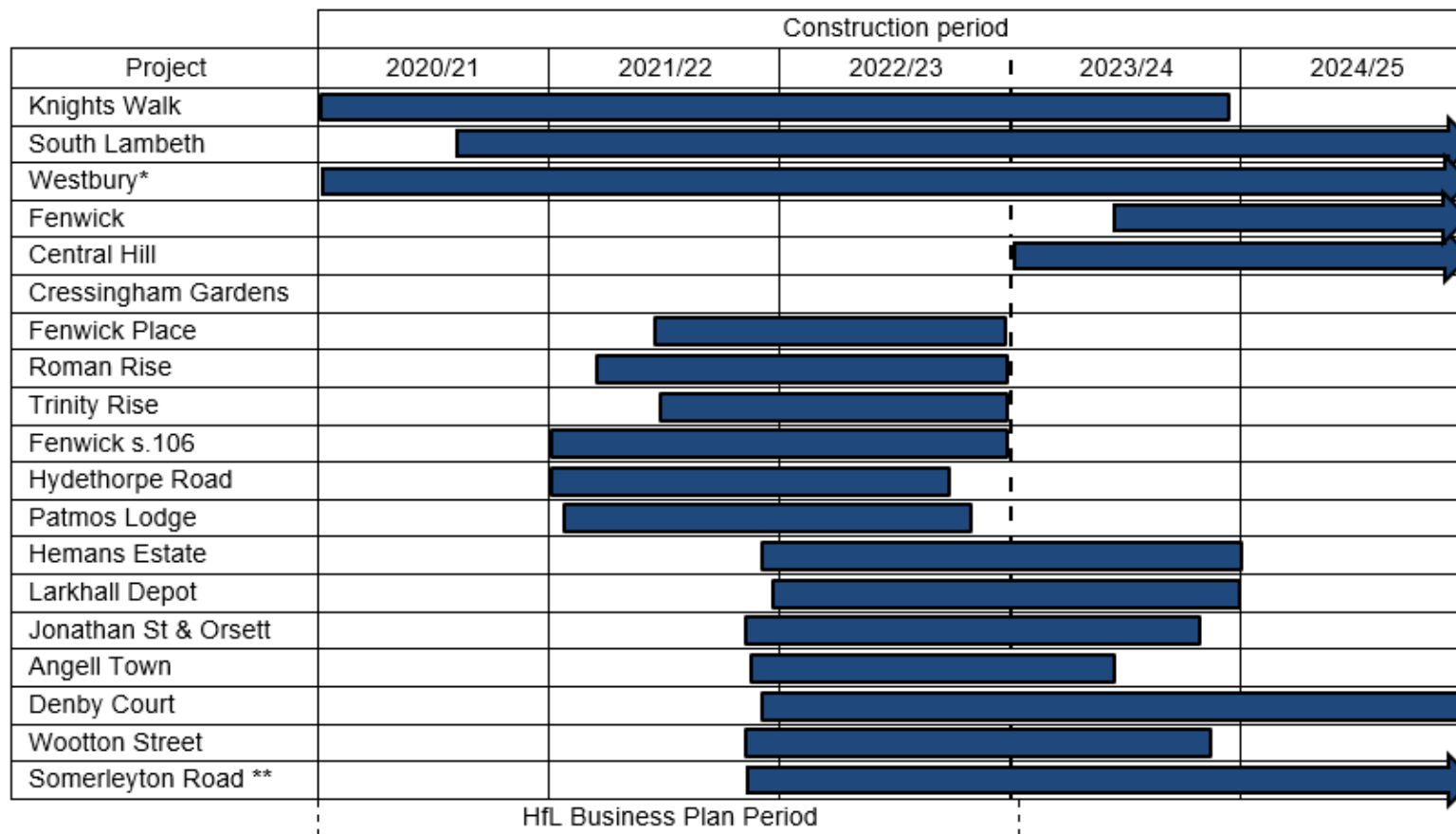
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# HfL Build

## Project programme



\* including homes being delivered through s.106 agreements cliented by the Council or HfL and transferring to HfL on completion.

\*\* The initial phase of Somerleyton Road is currently on site. This phase is commercial development, including a youth theatre, and the construction is being managed by HfL. The bar in the table above is only for the future residential phases.

# HFL Build

## *Number of homes to be delivered across the programme*

Project	Council Level Rent	London Affordable Rent	London Living Rent	Shared ownership	Sub-total affordable	Open market sales	Total new homes
Estate Projects*	1,025	60	60	537	1,682	2,464	<b>4,146</b>
Other Projects**	243	45	0	97	385	358	<b>743</b>
<b>Total</b>	<b>1,268</b>	<b>105</b>	<b>60</b>	<b>634</b>	<b>2,067</b>	<b>2,822</b>	<b>4,889</b>

\* includes Knights Walk, South Lambeth, Westbury (inc. s.106 homes), Fenwick, Central Hill Cressingham Gardens and Lollard Street

\*\* includes Roman Rise, Trinity Rise, Fenwick Place and all other 'small sites'

## *Masterplanning update*

- Masterplanning to be progressed on the Central Hill, Fenwick and Cressingham Gardens estates during the course of the 2021/22 Financial Year

# HFL Build: finance update

- *Impact of project approvals achieved since March 2020 CMDDR:*

	Approved BP	Updated since BP approval		Adjusted BP	Movement since BP
		S Lambeth approved	Small Sites		
Total Units	4,662	-	47	4,709	47
Total Revenue (£k)	1,970,804	2,359	20,870	1,994,034	23,229
Costs before interest	1,511,110	(10,842)	19,904	1,520,171	9,062
Interest cost	76,986	(4,924)	515	72,577	(4,409)
Margin	165,031	10,181	(339)	174,873	9,842
Total Costs (£k)	1,753,127	(5,585)	20,080	1,767,622	14,495
Land value (to LBL)	217,678	7,944	790	226,412	8,734

Note: The total number of homes above excludes the following, which are part of the overall programme, they are not delivered by HfL Build but will be managed by HfL Homes:

Lollard St s106 (complete and in HfL Homes management)	70
Fenwick Place s106	46
Westbury s106	64
Total	<u>180</u>
Total to be delivered by HfL Build as above:	4,709
<b>All programme total as previous section</b>	<b>4,889</b>



# HFL Homes

## *Homes under HFL Homes management*

- 70 homes currently under management at Lollard Street
- Once the Westbury Phase 1 and Knights Walk schemes completed in the next year, HFL will have 150 homes under its management

## *Management arrangements*

- HFL Homes is in discussion LBL Housing Management to explore the potential of them taking on the management of the HFL portfolio

## *Residents*

- Overall satisfaction with HFL Homes is at 76%, comparing favourably to the G15 average
- A review of the approach to resident satisfaction and methodology is to be undertaken within the next 12 months
- Approach to resident engagement to be further reviewed to ensure HFL Homes meets its obligations under the Social Housing White Paper

# HFL Living

- HFL Living is commissioned by the Council to refurbish and let homes that were sold under Right to Buy and bought back
- Homes for Lambeth currently has the following properties under its management as part of the AST portfolio:

Description	2020-21
Homes let	64
Homes ready to let	19*
Homes under refurbishment	7
Total homes	90

\*of the 'Ready to Let' homes, four are on the market to let, six have works completed and are being snagged and the remaining nine are awaiting final lease information from the Council which is to be provided shortly

# HFL Living: AST finance update

- Actuals this financial year for AST homes managed by HFL Living:

Description	2020-21 £m
Rent income	0.9
Costs in management	(0.3)
<b>Net income</b>	<b>0.6</b>
Total rent roll (assuming fully let)	1.6
Costs in management	(0.5)
<b>Net income</b>	<b>1.1</b>

Refurbishment cost incurred to-date (including commitments for the homes under refurbishment) is £1.0m for 90 homes: an average per home of £11k, which compares favourably with the £15k per home allowed for.

Rental income, costs in management, net income and refurbishment cost for the estimated number of homes to be bought back in 2021/22 to be added to the report to Cabinet.

# Rehousing and compulsory purchase

- Good progress has been made over the last year on rehousing residents. This is being done in-line with the adopted Key Guarantees

Estate	Number of leaseholds / freeholds acquired in FY 20-21	Number of remaining leaseholders / freeholders	Secure tenants re-housed in FY20-21	Number of remaining secure tenants
Central Hill	8	77	19	206
Cressingham Gardens	1	72	1	120
Fenwick Estate	10	101	6	164
Knights Walk	0	0	1	9
South Lambeth	4	30	1	44
Westbury	6	15	2	33
<b>Total</b>	<b>29</b>	<b>295</b>	<b>30</b>	<b>576</b>

- Not yet targeting specific blocks on Central Hill, Fenwick and Cressingham Gardens – it is anticipated that the pace of rehousing on these estates will increase as the masterplans progress
- It is likely that CPO’s will be pursued on sections of both the Westbury and South Lambeth estates during the next 12 months

# Programme viability update: summary

- March 2020 CMDDR viability statement with movements, leading to a revised programme viability forecast

	March 2020 CMDDR £m	Movement £m	Revised forecast £m
<b>Income</b>			
Expected land value	218	9	227
Capital receipt from disposal of s106 sites	12	-	12
Net return on lending activity	35	-	35
<b>Total income</b>	<b>265</b>	<b>9</b>	<b>274</b>
<b>Costs</b>			
Land assembly costs	169	-	169
Sunk cost capital	30	-	30
Future commissioning cost	25	-	25
Interest cost net of AST income	22	10	32
<b>Total costs</b>	<b>246</b>	<b>10</b>	<b>256</b>
<b>Excess of income over costs</b>	<b>19</b>	<b>(1)</b>	<b>18</b>

# Programme viability update: movements since March 2020 CMDDR

- **Land value:** see HFL Build finance update, slide 8
- **Interest cost net of AST income:**

The movement of £(10)m adverse is a prudent allowance to cover the following:

- i. that the 45 homes re-allocated from AST to TA in the decision made in COVID-19 Response – Emergency Decision in April 2020 do not return to AST, the impact of which is estimated at c.£(6)m over the entire period for which the homes are expected to be available to let
- ii. the outcome of a wider review to be conducted of the use of bought back homes for either ASTs or TA, as referred to in section 3 of the draft JDP
- iii. that delays due to COVID-19 in completing refurbishment and letting during 2020/21 are not fully recovered

# Sustainability

- Homes for Lambeth has made progress over the last 12 months in the following areas, with highlights including:
  - ***Demonstrating and sharing best practice:*** joined the UK Green Building Council
  - ***Fabric First Approach:*** using efficient heating technologies such as air source heat pumps
  - ***Reducing, re-using and recycling during construction:*** pre-demolition audits are undertaken on all sites to determine if any materials are suitable for reuse / recycling
  - ***Sustainable lived experience:*** developing strategies to support training for residents when they move into their new homes to guide them on how to operate them as efficiently as possible
- In addition to the above, Homes for Lambeth continues to ensure all schemes are brought forward in-line with the adopted Design Guide principles

# Resident Engagement and Social Investment

- Programme mobilised following research by Homes for Lambeth into the needs of residents living on the estates
- Key highlights over the last year include:
  - **Engagement:** Over 250 events on the 6 estates which facilitated over 1,400 individual attendances from residents
  - **Summer Roadshows:** Engaged with over 300 residents face to face
  - **Half term activities:** Resident activities half term had a 4.5 out of 5-star rating from participants with 88% would recommend our activities to others
  - **Resident wellbeing:** Online classes, counselling and support sessions
  - **Apprenticeships:** Nine started with Homes for Lambeth in January 2021
  - **Internship:** Five interns, two subsequently recruited
  - **Digital inclusion:** Tablet lending, free smartphones trials (via Hubbub) and training provided by Clear Community Web have been the focus in 2020/21
- Programme to be further developed with a greater focus on developing partnerships, training, skills and digital inclusion



# Liveability

- Consultation on draft Liveability commitments delayed due to setting up a liveability team, and COVID-19 resulting in need to focus on residents' immediate requirements
- The key highlights over the year include:
  - ***Estates Liveability Manager*** – newly formed post which will be dedicated to housing management across the six estates
  - ***'Your Team'*** – opportunity for residents to meet and discuss any issues with named officers from both Homes for Lambeth and the Council who will be working on each estate
  - ***Mitigation panels*** – adopted to allow the circumstances of individual residents to be considered holistically, with any appropriate mitigations to be applied expeditiously
  - ***Enhanced coordination*** – the new Liveability Estates team is working to bring a more coordinated approach to issues such as repairs, ASB etc.
- In the coming year, the workstreams above will continue to be embedded, in addition to piloting Health Impact Assessments

# Governance

- Progress continues to be made following the review of the Bevan Brittan report, and OSC report in December 2020
- Learning from the Croydon Brick by Brick Report integrated into governance changes
- Council control as sole shareholder unaffected
- Purpose and functions of each HFL board reclarified
- Lines of sight and assurance reporting reclarified (HFL up to LBL)
- Board compositions + skills reviewed for most effective balance and mix
- Shareholders' Agreement (formerly Memorandum of Understanding) to capture all new/revised requirements
- Revised structure planned to take effect from April 2021 subject to council approvals

# Budget and Key Performance Indicators

- The budget and KPIs for 2021/22 have been submitted to the HFL Board for approval on Thursday 25 February
- They are based on the approved business plan, which has been adapted for programme changes and project approvals since the March 2020 CMDDR
- When approved by the HfL Board the budgets and KPIs will be subject to assurance and approval by the Council.