

## **Appendix A: The Joint Delivery Plan**

### **Introduction**

London is facing a severe housing crisis and the need for high quality housing remains acute both across the city and within Lambeth. Homes for Lambeth (HfL) is a 100% council-owned, not-for-profit company that has been set-up to build a new generation of council homes for Lambeth families. The programme being delivered by HfL forms a key part of the council's ambition to increase the number of homes of all types but particularly affordable housing.

On 30 March 2020, a Cabinet Member Delegated Decision Report ('CMDDR') was approved for the '*Homes for Lambeth Delivery Plan and Homes for Lambeth Corporate Plan*'. This CMDDR and associated appendices set out Homes for Lambeth's plan to deliver homes over a three-year Business Plan period, and also provided a look-ahead to the end of the fifth year of the programme. The CMDDR also set out a series of policies, objectives, targets, and financial parameters for the programme.

The Business Plan, until the end of financial year 2022/23 was approved in March 2020. The purpose of this Joint Delivery Plan (JDP) is to review the progress that has been made over the last year, noting any material changes to plans for the Homes for Lambeth Programme. It also sets out what the main areas of focus will be for the coming year.

Despite the impact of the global pandemic, there has been notable progress made. For example, multiple planning consents have been secured, the Hydethorpe Road and Roman Rise projects started on site and the Resident Engagement and Social Investment ('RESI') programme was further implemented, details of which are set out below.

80 new council homes were completed; 64 at Westbury Estate and 16 at Knights Walk.

Further work has been done to optimise the total number of homes being delivered across the programme and we have identified that a further 96 homes can be delivered across the lifetime of the programme. This means that the forecast total number of homes to be delivered has increased from 4,842 homes to 4,938 homes.

The JDP provides a comprehensive update on the Homes for Lambeth programme and covers the following areas:

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

## **1. Homes for Lambeth Build Development Programme**

2021 has been a busy and challenging year for Homes for Lambeth and Lambeth Council, as we continued to deliver on the ambitious development programme to rebuild some of Lambeth's largest estates and provide more and better homes for our residents. Despite the ongoing challenges of COVID-19, we kept five sites operational and are delivering on our promise to build more and better homes. This includes the completion of 80 new homes; 64 at Westbury Estate and 16 at Knights Walk, with residents settling into their new homes. There are approximately 1,070 homes in our development pipeline, and projects will achieve an average reduction in CO2 emissions of 75%. This is far higher than the level of CO2 reduction sought in planning policy and demonstrates the commitment to meeting Lambeth's 2030 net zero carbon pledge.

Although Brexit has affected the availability of labour and materials in the market, we have continued to move schemes forward, with up to seven more projects being progressed to start on site in the next year.

Table 1 below shows the projects that form the current Homes for Lambeth programme.

**Table 1 Homes for Lambeth Programme**

<b>Estate projects</b>	<b>Other projects</b>
Central Hill	Fenwick Place
Cressingham Gardens	Roman Rise
Fenwick Estate	Trinity Rise
Knights Walk	Fenwick s.106 homes
Westbury	Hydethorpe Road
South Lambeth	Patmos Lodge
Lollard Street – homes complete and under management	Hemans Estate
-	Larkhall Depot
-	Jonathan Street & Orsett
-	Angell Town
-	Denby Court
-	Wootton Street
-	Somerleyton Road

The projects at Fenwick Place, Roman Rise and Trinity Rise are stand-alone projects which have achieved planning consents and are part of Homes for Lambeth's 'small sites' programme.

Key highlights from the table above include start on sites during the past year (to end March 2022) at:

- Hydethorpe Road
- Patmos Lodge
- Roman Rise

The details of the programme are also shown in table 2 below, which states the assumptions made last year. Updates are shown in (brackets). Where updates are not shown, the existing assumptions remain.

**Table 2 Delivery milestones**

Project	To end of year 3 (Homes for Lambeth Business Plan period)	To end of year 5 (Homes for Lambeth Business Plan period, plus two-year look-ahead)
South Lambeth	Phase 1 complete	Phase 2 start
Knights Walk	Phase 1 complete Phase 2 start	Phase 2 complete Estate fully renewed
Westbury	Phase 1 complete Phase 2 start	Phase 2 complete Phase 3 start
Central Hill	Masterplanning advanced	Masterplan Phase 1 awaiting start
Fenwick	Masterplanning progressed	Masterplanning well advanced
Cressingham Gardens	Masterplanning advanced	Masterplanning Phase 1 awaiting start
Other projects	Fenwick Place, Fenwick s.106, Lollard Street, Roman Rise, Trinity Rise, Hydethorpe and Patmos complete  Hemans and Larkhall start (previously forecast to complete)  Carmelita and Orsett, Angell Town, Wootton Street and Denby Court start  Sommerleyton Road residential Phase 1 start	(Hemans and Larkhall complete)  Carmelita and Orsett, Angell Town, Wootton Street and Denby Court complete  Sommerleyton residential Phase 1 complete Sommerleyton residential Phase 2 start

The Council and Homes for Lambeth teams have worked together throughout what has been a challenging year. However, a combination of factors such as: allowing for greater consultation throughout the planning process; developing and embedding new shared development processes to manage risk appropriately between the Council and HFL and the impact of COVID-19 on staff and contractors has resulted in the revised forecast.

This has resulted in a delay against the forecast programme which will mean the number of homes expected to be completed over the three-year business plan period is now forecast to be 194 homes, a reduction from the 349 stated last year. This is shown in table 3 below.

**Table 3 Number of homes and tenure of homes**

	JDP 2021-22	JDP 2022-23	JDP 2021-22	JDP 2022-23
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	265 (76%)	170 (88%)	441 (37%)	400 (46%)
Other regulated rent **	9 (3%)	7 (4%)	91 (8%)	30 (3%)
Intermediate***	33 (9%)	9 (5%)	128 (11%)	74 (8%)
<i>Sub-total affordable</i>	<i>307 (88%)</i>	<i>186 (96%)</i>	<i>660 (56%)</i>	<i>504 (57%)</i>
Private Sale	42 (12%)	8 (4%)	524 (44%)	374 (43%)
<b>Total****</b>	<b>349 (100%)</b>	<b>194 (100%)</b>	<b>1,184 (100%)</b>	<b>878 (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 Homes for Lambeth, s.106 schemes completed at Westbury, Fenwick, and Ethelred (Lollard Street) estates, and private homes completed.

Although there has been a delay to the delivery of some new homes, these homes remain within the pipeline and will be built. It should be noted that the % of affordable homes that will be completed is increasing over the period despite the delay.

Homes for Lambeth has optimised the total number of homes being delivered across the programme and have identified that a further 96 homes can be delivered across the lifetime of the programme; increasing the total number of homes delivered from 4,842 homes to 4,938 homes.

We remain committed to the key guarantees and therefore all resident homeowners who wish to continue to live on their new estate will be given the opportunity to do so. Planning applications will be viability tested to ensure that we secure as many additional council homes as possible in each phase.

An overview of the number of homes that is anticipated to be delivered by each type of project is shown in table 4 below. Whilst prudent assumptions have been made, some schemes are in the early stages of design so the actual number of homes delivered are subject to change as the design for each project progresses, this is particularly true for the main estate masterplans.

**Table 4 Number of homes and tenure of homes forecast over lifetime of programme**

Project	Council Level Rent	London Affordable Rent	London Living Rent	Shared ownership ***	Sub-total affordable	Open market sales	Total new homes
Estate Projects*	954	53	58	540	1,605	2,483	<b>4,088</b>
Other Projects**	358	0	0	112	470	380	<b>850</b>
<b>Total</b>	<b>1,312</b>	<b>53</b>	<b>58</b>	<b>652</b>	<b>2,075</b>	<b>2,863</b>	<b>4,938</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'

\*\*\* includes a provision of shared ownership homes for existing homeowners who wish to remain on their estates

Updates on the delivery of homes are provided on a quarterly basis to the Council's Ownership and Stewardship Panel ('OSP').

### **Estate masterplanning update**

In order to support the masterplanning work for Central Hill estate, a fun day was held during the half term in October 2021 and the procurement of the professional team started in quarter 3 of 2021/22. This includes the architects who will work with residents to co-design the plan for the future of their estate. Residents were able to give the assessment panel their feedback on the architects bidding for this work by attending and providing feedback at exhibitions held in December, joining an online presentation and Q&A or reading a booklet and sending back a form. In addition, a small group of resident volunteers worked alongside the HfL / LBL assessment panel in the scoring of the bids. The masterplanning team will be in place during quarter 1 of 2022/23. Community led masterplanning will run for about a year, starting in Spring 2022.

At Fenwick Estate, it is anticipated that procurement of consultant teams will be carried out in quarter 2 of 2022/23, with community led masterplanning due to start Q3 2022-23.

Community led masterplanning for Cressingham Gardens will start in 2022.

For all estate masterplanning and as stated in the Key Guarantees, residents will be supported to get involved in the design of the new homes, of the estate as a whole and to influence decisions around the phasing of building new homes and the construction works. This remains a firm commitment.

### Launch of Sales Brand - Addition

Homes for Lambeth has now launched Addition by Homes for Lambeth, to sell the high quality sustainable homes built by HfL Build. These cross subsidise the affordable homes and for every three homes we sell, we are able to build two affordable homes for local people. Addition's sales and marketing strategies propose an initial release to the local Lambeth market prior to the main launch. To achieve this strategy, initial marketing will be focused on local newspapers and property magazines, targeted social media campaigns, and local out of home advertising. We also focus mailouts to local Lambeth residents and engage with local Sales Agents with knowledge of local Lambeth residents.

### Finance update

The impact of project approvals since the March 2020 CMDDR is shown in Table 5. This includes the increase of 96 homes to be delivered over the programme, as referred to in the previous section.

Changes in total revenues and costs are not material (each at c.2-3% of approved HfL Business Plan) but point to a favourable change of £13.5m in land value payable by HfL to the council (c. 6% of approved HfL Business Plan), which is a favourable change of £4.8m, when compared to the land value reported in March 2021.

**Table 5 Development programme finance update**

	Approved Business Plan	Updated since Business Plan approval		Adjusted Business Plan	Movement since Business Plan
		S Lambeth	Small Sites		
<b>No. of Homes</b>	<b>4,662</b>	<b>-</b>	<b>96</b>	<b>4,758</b>	<b>96</b>
<b>Total Revenue (£k)</b>	<b>1,970,804</b>	<b>2,359</b>	<b>48,761</b>	<b>2,021,924</b>	<b>51,120</b>
Costs before interest	1,511,110	(10,842)	39,058	1,539,326	28,216
Interest cost	76,986	(4,924)	(53)	72,009	(4,977)
Margin	165,031	10,181	4,193	179,405	14,374
<b>Total Costs (£k)</b>	<b>1,753,127</b>	<b>(5,585)</b>	<b>43,198</b>	<b>1,790,740</b>	<b>37,613</b>
<b>Land value (to LBL)</b>	<b>217,678</b>	<b>7,944</b>	<b>5,563</b>	<b>231,185</b>	<b>13,507</b>

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

Lollard St s106 (complete and in Homes for Lambeth Homes management)	70
Fenwick Place s106	46
Westbury s106	64
Total	<u>180</u>
Total to be delivered by Homes for Lambeth Build as above:	4,758

When Homes for Lambeth bring forward individual projects for approval officers of HfL and the council work closely to ensure that the financial modelling and related processes (e.g. independent valuation) are robust and, where necessary, are subject to external review before project approval.

As projects proceed through governance processes, they undergo scrutiny and challenge from both HfL Directors and the council senior officers before HfL and council decisions are made. Material changes in project and programme finances, when compared to the HfL approved Business Plan are tracked and reported to OSP periodically and annually to Cabinet.

Financial modelling of all programme revenues, costs and resulting land values will be fully refreshed during 2022/23, to support a new HfL Business Plan, which will include joint development by HfL and council of a log of all inputs and assumptions and will be supported by external advice to inform and/or to validate these inputs and assumptions, as was the case for the financial modelling underpinning the March 2020 HfL approved Business Plan. The new HfL Business Plan and the refreshed financial modelling which supports it, will take into account market intelligence on sales revenues, construction and other costs over the lifetime of the programme, as well as the outcome of the application made to the GLA in 2021 for affordable housing grant and changes recently communicated by the GLA in respect of use of recycled Right to Buy receipts.

## **2. HFL Homes**

### **Homes being managed by HFL Homes**

HFL Homes is a Registered Provider and, in line with forecasts, will have 150 homes in management by the close of 2021/22. An additional 80 homes were completed and acquired by HFL Homes during the year. At the Westbury Estate, Phase 1 64 new homes were delivered and Homes for Lambeth's scheme at Knights Walk delivered 16 new homes. 35 tenancies were let to existing estate residents in accordance with the Key Guarantees. All 150 homes across the HFL portfolio are let at council level rents.

The management of all the Homes is via a managing agent. During the year Homes for Lambeth Homes reached a formal agreement with Lambeth Council to provide housing and property management services to all of the Homes for Lambeth portfolio. The existing management contract with Pinnacle was terminated at the end of September 2021.

Finally, HFL Homes' Landlord obligations in respect of Health & Safety are monitored and tracked and regularly reported to the HFL Homes Board. There have been no breaches or incidents requiring Regulatory notification during the year.

### **New residents**

It's been wonderful to see what the new homes mean to our residents. Joan, a resident of the Westbury Estate, will be moving into a newly built home. Here's what Joan thought about the opening day.

"I really enjoyed the day and loved getting to meet people from Homes for Lambeth and the council. It was also nice to have a proper look at the building and the other flats that will soon belong to my neighbours. After all the homes that we viewed, I still think mine is the best out of all of them! I love my new flat.

I love that the living room, dining area and kitchen are open plan, it's so lovely. It's a nice L-shaped room, with massive windows, and a lovely big door that opens to the balcony as well. Both of those features make it so bright, with the sunshine streaming through. Another wonderful surprise was that blinds were put up – that was something that I didn't expect to have.

I would encourage other people to downsize if they have the chance to, it's a good thing to do. It's a brand-new chapter in your life, if the kids have flown the nest, you raised them well and they have gone to live their own lives now and so I feel as I am growing older, it's time for my new start.

It's really good work that I can see from Homes for Lambeth. I am so impressed with the new homes at Westbury, it's a really posh apartment block. If I was privately renting, I would not be able to afford a home like this. The homes are at an amazing standard. It's wonderful."

### Resident satisfaction

HFL Homes completes quarterly satisfaction monitoring. The satisfaction measures were updated to align with the measures set out in the Social Housing White Paper. We're pleased to report that satisfaction has steadily improved. The key satisfaction benchmark that regard is given to within the sector is the overall satisfaction with the landlord. Homes for Lambeth has achieved 66%.

**Table 6 Resident satisfaction**

How satisfied are residents with...	Quarter 3 (%)	Q1 to Q3 Year to Date (%)
HFL Homes as their Landlord	77	66
Housing Management Services (Lambeth)	75	59
Being kept informed	74	58
Being listened to and views acted on	72	52
Repairs and maintenance (excl. defects)	71	49
Internal and external cleaning	75	60
HFL Homes/LBL contribution to the Neighbourhood	76	60
Opportunities for Engagement	75	64
Handling of ASB reports	75	61
The Safety of the home and building	78	72
The quality of the new home (within 12 months of occupation)	80	79
Management of defects (within 12 months of occupation)	77	65
Satisfaction with Landlord by Site	Quarter 3 (%)	Year to Date (%)
Lollard Street	60	55
Westbury	76	72
Knights Walk	77	77

Residents' primary concerns relate to the delivery of services via the managing agent. In particular, residents remained dissatisfied with services at Lollard Street. Working alongside residents, a service improvement plan has been implemented and several actions have been taken to address items of resident concern. This includes changing the management of the homes to Lambeth Council, improving the reliability of the lifts in the Lollard Street tower, improving opportunities for residents to engage and have their voices heard and improving transparency in relation to tenant service charges. The satisfaction performance indicates that residents at the new sites are generally satisfied with the services they receive.

The plan for financial year 2022-23 is for HFL Homes to further cement its approach to meaningful resident engagement including shaping its approach to resident scrutiny and oversight of Landlord performance. The other key area of focus will be the successful delivery of services to a new tenure group of Shared Equity Owners who will be Council Leaseholders exercising their rights under the Key Guarantees. South Lambeth Phase 1, consisting of 30 homes will be delivered at the end of August 2022. The Hydethorpe site which is part of the small sites programme, will deliver a mixture of homes including 2 large, family homes for social rent and 4 homes for shared ownership.

Active contract management will continue to ensure Lambeth Council's housing management team are delivering in accordance with their KPIs. Regular independent resident satisfaction surveys are completed to provide additional assurance to Homes for Lambeth and the HFL Homes Board.

### Finance update

As the number of homes in management increases over the coming years, the HFL Homes financial plan will be tested and revised, if necessary, by reviewing and learning lessons from actual performance, as well as by comparison with suitable benchmarks and best practice data sources. Any changes will be brought to OSP for consideration as and when they occur and reported to Cabinet in the next occurring JDP report.

## 3. HFL Living

### AST portfolio update

In order to obtain vacant possession of the sites for regeneration, the council continues to buy back homes that had been sold under the Right to Buy (as reported in section 4). Where there is a period of time between the buy back and the start of regeneration of the site, homes are let on Assured Shorthold Tenancies (ASTs). Homes for Lambeth Living does this on behalf of the council, procuring and paying for any refurbishment needed prior to letting and thereafter managing repairs and collecting rent. Refurbishment costs are claimed back from the council. The rent collected, net of maintenance and other reasonably incurred costs, is then made over to the council.

Table 7 below shows the number of homes forecast to be let as ASTs as at 31<sup>st</sup> March 2022, alongside a forecast of the number of homes let as at 31<sup>st</sup> March 2023.

**Table 7 AST portfolio**

Description	2021/22	2022/23
Homes let	104	132

\*Void means buybacks in the process of becoming ASTs

Notes:

The March 2021 JDP reported that 120 homes were forecast to be let at the end of financial year 2021/22. However, due to delays in completing business leases, refurbishing the homes and letting, the forecast has now been re-stated, as shown.

The forecast to end of financial year 2022/23 includes assumes the letting of homes currently under refurbishment and the letting of the majority of the 30 buybacks expected in the year (see Section 4), offset by some homes coming out of the portfolio as sites are developed.

### Finance update

Table 8 below shows, in the upper half of the table, the rental income, costs to manage and net income expected to be generated from AST lets during financial years 2021/22 and 2021/22; and, in the lower half of the table, the annual equivalent rental income, costs and net income for homes in the AST portfolio as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023.

**Table 8 AST portfolio financial performance**

Description	2021/22 forecast £m	2022/23 forecast £m
Rent income	1.4	2.0
Costs in management	(0.6)	(0.8)
<b>Net income</b>	<b>0.8</b>	<b>1.2</b>
Total rent roll (assuming fully let)	1.8	2.1

Costs in management	(0.8)	(0.8)
<b>Net income</b>	<b>1.0</b>	<b>1.3</b>

Notes:

The March 2021 JDP reported a net income of £1.1m, assuming the higher number of lets referred to in the note to Table 7 above. The restated forecast, based on the restated forecast of homes let as per table 7, is as shown.

The net rental income forecast for 2022/23 is calculated assuming that 28 new lets are evenly spread across the year and that rents and costs in management are at the average per home currently let.

Refurbishment cost for the budgeted 28 homes to be refurbished in financial year 2022/23 is estimated at £0.4m, based on the average per home achieved to-date of £15k.

#### **4. Rehousing and compulsory purchase**

In order to meet our commitment to deliver the renewal of the six estates to be rebuilt, the council needs to re-house existing tenants and purchase leasehold and freehold properties that have been sold under the Right to Buy. The approach was set out in the 30 March 2020 CMDDR and this continues to be followed.

All work has been progressed in-line with the Key Guarantees which set out the options available to both secure tenants and council homeowners. With the exception of the small sites programme, all acquisitions or rehousing on Central Hill, Cressingham and Fenwick have been driven by resident demand. As masterplanning gets underway and phasing is confirmed, officers will work proactively to offer additional support to ensure residents can fully exercise their rights under the key guarantees. . The table below sets out the current position with regard to each estate:

**Table 9 Vacant possession position by estate**

Estate	Number of leaseholds / freeholds acquired in 2021-22	Number of remaining leaseholders / freeholders	Secure tenants re-housed in 2021-22	Number of remaining secure tenants
Central Hill	10	68	22	184
Cressingham Gardens	2	72	8	112
Fenwick Estate	7	95	9	155
Knights Walk*	0	0	9	0
South Lambeth	1	29	2	42
Westbury*	1	11	31	2
<b>Total</b>	<b>21</b>	<b>275</b>	<b>81</b>	<b>495</b>

\* Figures for Westbury and Knights Walk reflect the completion of phase 1 on both these estates, which has enabled secure tenants to be rehoused permanently in a new home on their existing estate as per their stated preference.

As the Key Guarantees give residents living on the estates to be rebuilt the right to be moved or to have their property interest bought back whenever they are ready, it is not possible to accurately forecast the number of homes that will be bought back in the coming year, but based on those currently in the system and previous experience, it is estimated that 30 homes will be acquired in the next 12 months.

Use of properties which have been vacated due to a tenant or leaseholder exercising their right to move, but which are not yet required for redevelopment, is under review with a refresh of the council's Regeneration Voids Strategy due for completion in 2022/23.

The use of Compulsory Purchase Orders (CPO) is regularly reviewed and will only be used as a last resort. Vacant possession of Phase 2 at Westbury Phase has now been achieved via mutual agreement, the CPO focus for the coming year will therefore prioritise South Lambeth. Cabinet has delegated the decision to make these CPOs to the Cabinet Member for Planning, Investment and New Homes. In addition, the Council will be seeking to appropriate land for planning purposes across all of the phases / sites that Homes for Lambeth will be starting work on during the period.

To strengthen support available to residents affected by the redevelopment programme, recruitment of a social worker and occupational therapist is underway, with appointments due by the end of Q1 2022/23.

### **Finance update**

Expenditure to buy-back leaseholder and freeholder properties, as reported in the March 2021 JDP, was £79m, for the part-year to end of February 2021. Expenditure for the full year to 31<sup>st</sup> March 2021 was £83m out of the £170m funding approved in a series of CMDDRs up to March 2020.

Expenditure to the date of this report is £94m, which includes £11m in this financial year to buy back the 21 properties acquired in 2021-22 as per Table 9 above. Therefore, £76m of approved funding remains to meet the cost of remaining buybacks.

The estimated full cost of buying back all leaseholder homes at market rate remains c.£200m, as reported in the March 2021 JDP. However, as also reported in the March 2021 JDP, a prudent working assumption of the proportion of current leaseholders who will accept a shared equity home offered to them under the Key Guarantees points to a total buyback cost within the available funding of £170m. So far, there has been only a low number of these offers made, which does not represent an adequate sample size to test this working assumption, but it is still viewed as prudent in light of evidence from other council projects.

The council will continue to monitor the actual cost of buy backs, the housing property market, in general, and the take-up of the shared equity offer and other relevant market information in order to maintain and report up-to-date, robust forecasts.

### **5. Programme viability update**

The March 2021 JDP included a programme viability update, which indicated that the programme remained financially viable, taking into account information available at the time of presenting the report. That is that the cost of buy-backs, the associated interest cost and the council's own costs for project preparation and commissioning would be fully recovered by the council over the lifetime of the programme. This would be achieved as a result of land value payments received by the council from Homes for Lambeth, rental income (net of costs) from homes let as ASTs and return on lending to Homes for Lambeth at rates in excess of the notional cost of money in the council's financial regime (as required to accord with Subsidy Control rules).

Table 10 below shows the values reported in the March 2021 JDP viability statement with movements since, which leads to a revised programme viability forecast for this JDP update. The only material movement is the £4m favourable change in the expected land value, as reported in section 1. The other elements of the viability statement remain as reported in March 2021.

Therefore, the latest forecast, taking into account the development programme finance update in section 1 table 5 above, indicates that the programme remains financially viable, taking into account information available at the time of presenting this report. This will continue to be closely monitored as the programme progresses.

**Table 10 Programme viability update**

	March 2021 JDP £m	Movement £m	Revised forecast £m
<b>Income</b>			
Expected land value	226	5	231
Capital receipt from disposal of s106 sites	12	-	12
Net return on lending activity	35	-	35
Rounding	1	(1)	-
<b>Total income</b>	<b>274</b>	<b>4</b>	<b>278</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	32	-	32
<b>Total costs</b>	<b>256</b>	<b>-</b>	<b>256</b>
<b>Excess of income over costs</b>	<b>18</b>	<b>4</b>	<b>22</b>

**Notes to the programme viability update:**

**New HfL Business Plan:** Financial modelling of all programme revenues, costs and resulting land values will be fully refreshed during 2022/23, to support a new HfL Business Plan, which will include joint development by HfL and council of a log of all inputs and assumptions and will be supported by external advice to inform and/or to validate these inputs and assumptions, as was the case for the financial modelling underpinning the March 2020 Approved Business Plan. The new HfL Business Plan and the refreshed financial modelling which supports it, will take into account market intelligence on sales revenues, construction and other costs over the lifetime of the programme, as well as the outcome of the application made to the GLA in 2021 for affordable housing grant and changes recently communicated by the GLA in respect of use of recycled Right to Buy receipts.

**Land value:** see Section 1 Table 5 Development Programme Finance update

**Net return on lending activity:** this is an estimate of the difference between interest payable by Homes for Lambeth to the council and the notional cost of money in the council's financial regime. The approved business plan, Homes for Lambeth's financial modelling and this estimate assume that Homes for Lambeth Build borrow at 6% for the majority of their developments, Homes for Lambeth Group borrow at 6% for working capital and Homes for Lambeth Homes at 3.2% for the funds to buy affordable homes from Homes for Lambeth Build; whereas the current notional rate is 3%. The relatively minor changes reported in this JDP do not point to a materially different estimate for return on lending.

**Land assembly costs:** see section 4 finance update

**Sunk capital costs:** no change from March 2020 CMDRR

**Future commissioning cost:** The March 2020 CMDRR included approval of £25m of capital funding to facilitate implementation of the Business Plan:

- Scheme design – progressing the planning strategy, design, and master-planning of projects. This includes the master-planning of Cressingham Gardens, Central Hill, and Fenwick estates, which will require a full professional team to be appointed.
- Land assembly – a budget to support progressing CPOs on sites, where they are required.
- Council commissioning costs – Council costs associated with the project, including professional advisors.

To-date there has been no material expenditure against this approved funding because the activities described above are all in their very early stages, as described elsewhere in the document. Progress with the activities described and their cost will be reported to OSP periodically and any request for additional funding included in a future JDP report to Cabinet.

**Interest cost net of AST income:** this is an estimate of the financing cost (at a notional 3%) to the council of the buyback expenditure of £170m, partially offset by rental income from ASTs. The movement of £(10)m adverse is a prudent allowance to cover the following:

- 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. (The Emergency Decision made by the Head of Paid Services on 6 April 2020 estimated the impact on Homes for Lambeth viability as £1.1m for two years, 2020-21 and 2021-22, after which the homes would revert to AST lets, subject to the outcome of a wider review of the management of these homes.)
- that delays due to COVID-19 in completing refurbishment and letting during 2020/21 and 2021/22 are not fully recovered

## **6. Sustainability**

Homes for Lambeth is determined to deliver on its ambitious plans for the environment and achieve Lambeth Council's zero-carbon commitment by 2030. The March 2020 CMDDR set-out the sustainability strategy that Homes for Lambeth is following. An overview of key achievements over the last year are shown below against the commitments made:

**Table 11 overview of sustainability progress**

<b>Commitment</b>	<b>Progress update</b>
Demonstrating and sharing best practice	Two of Homes for Lambeth's schemes were featured in the New London Architecture's (NLA) Zero Carbon London Report. The report by the NLA showcased 80 projects that showcase excelling environmental design and contribute to London's ambition to become a low carbon city. Homes for Lambeth are proposing to introduce new and better green spaces for residents.
Homes for Lambeth Fabric first approach	<p>Substantial reductions in carbon emissions when benchmarked against Part L of the Building Regulations (2013). Homes for Lambeth had committed to a 35% reduction, but will achieve considerably more as noted in the following schemes (with planning consent and/or in construction):</p> <ul style="list-style-type: none"> <li>• Hydethorpe Road: 71.9% reduction</li> <li>• Roman Rise: 73.9% reduction</li> <li>• Fenwick Place: 74.6% reduction</li> <li>• Patmos Lodge: 78.3% reduction</li> <li>• Trinity Rise: 80.0% reduction</li> <li>• Westbury Phase 2: 69.9% reduction</li> </ul> <p>New data published by Lambeth Council's Planning Authority shows Homes for Lambeth is delivering on average 32% more reduction in regulated carbon emissions than other developers in Lambeth. Planning applications approved by Lambeth in 2021 achieved an average carbon emissions reduction of 43% in comparison to an average of 75% on applications by Homes for Lambeth.</p>
Reducing, re-using, and recycling during construction	<p>Pre-demolition audits conducted ahead of demolition to determine if any materials are suitable for reuse/recycling. Homes for Lambeth is committed to recycling at least 80% of suitable existing materials on site.</p> <p>Each site's waste reduction performance is regularly monitored and recorded against industry standard benchmark targets.</p> <p>Where feasible, Homes for Lambeth has used materials that have been recycled or have recycled content.</p> <p>Sanitaryware specifications are ensuring internal daily water consumption of no more than 105 litres per person per day.</p>

Commitment	Progress update
	Reporting and Monitoring on the Circular Economy is being carried out on all projects, not just on referrable ones.
Sustainable lived experience	<p>The greater than average reductions to carbon emissions have been achieved due to the commitment to build better homes, designed to be more energy efficient, improve air quality, and improve lives by reducing fuel poverty. By utilising recycled materials from demolished sites, installing air source heat pumps, heating networks, ambient loop distribution, MVHRs and testing the application of modern methods of construction we are at the forefront of building more sustainable homes in Lambeth.</p> <p>In addition to the above, woodland gardens, community gardens with fruit trees, herb gardens and the introduction of new habitats to attract local fauna are being included within schemes to ensure they contribute to both the lived experience of residents and biodiversity of the local area.</p>

All homes that HFL build will meet the Homes for Lambeth Design Principles and Lambeth Council design standards. Many of the principal objectives in the Homes for Lambeth Design Housing Guide were defined with the input of residents and will be reviewed regularly to ensure that residents' priorities are met.

In the coming year, Homes for Lambeth will continue to ensure projects are brought forward in-line with its sustainability strategy.

## **7. Resident Engagement and Social Investment**

The Resident Engagement and Social Investment programme focuses on residents living on the estates that we will rebuild as well as HFL Homes residents. Changing restrictions during the year have meant that Homes for Lambeth has had to be more agile with their engagement with residents. However, a continued use of outdoor activities, digital activities and covid compliant indoor activities have allowed the programme to continue successfully.

### **Social Impact Activities**

In 2021/22 the programme aimed to:

- support communities through rebuilding and mitigate any adverse health and well-being impacts of the rebuilding process
- provide a range of opportunities to support increased financial resilience, improve mental and physical health and reduce inequality over time
- give an early focus on leveraging the development process to generate employment and community support opportunities

To achieve these aims Homes for Lambeth undertook three programmes.

### **Your Digital Future**

This programme aims to increase residents' access to digital devices, data, and training to access services, training, and information and keep in touch with friends and family. Through surveys and other outreach, residents were identified who support from Homes for Lambeth would enable them to get online. Residents were individually contacted, and tailored support was given to ensure they used their device to good effect.

In 2021/22 Homes for Lambeth:

- distributed 24 laptops, 2 tablets, 3 phones (as phones), 9 (for data) and a router
- continued to support our pilot group of residents who were loaned 12 tablets and 1 laptop in 2020/21
- ran a weekly online IT training session with Clear Community Web (CCW - Lambeth based organisation). Since April 2021, 12 residents have joined 1 or more of these sessions, giving 176 attendances at classes.
- arranged 47 one to one tuition sessions with CCW for residents who needed additional support throughout the past financial year.

As a result:

- five residents used their devices to study college courses
- four have achieved a foundation level IT qualification
- a resident has completed a short self-employment course with 'Tree Shepherd'
- residents participating in this Your Digital Future programme
  - seek new homes online
  - search for jobs online
  - report that their school-aged children are using the laptop to do their studies
  - are joining Homes for Lambeth activities

### **Your Skills**

This programme seeks employment and training opportunities for our residents within HFL's supply chain, partners and stakeholders. It also aims to support residents applying for roles within Homes for Lambeth itself. The programme also works closely with the council to ensure all section 106 obligations are adhered to.

The programme has several elements, including:

- employment and training opportunities with local organisations and contractors
- mock interviews and 'Interview with confidence' workshops
- CV and job preparation workshops
- internships, work experience and apprenticeships programmes within Homes for Lambeth and partners

As a result:

- HFL recruited three interns, two of whom were Lambeth residents, all three were Black and Minority Ethnic individuals
- following the success of the summer internship programme, HFL employed eight apprentices, five of whom are Lambeth residents
- over one hundred residents took part in our events, three of which successfully secured apprenticeships with the Berkeley Group in Lambeth

### **Your Wellbeing**

This programme supports residents as their estates are rebuilt and is a crucial part of Homes for Lambeth's activities. To do this, Homes for Lambeth:

- ran monthly, one-hour group sessions facilitated by a qualified counsellor. These sessions offer residents the opportunity to discuss any worries they may have in a friendly and supportive environment
- continued the regular yoga sessions for residents to reduce social isolation, improve physical activity levels and promote good mental health

- alongside this, residents in need of support have been referred to organisations that will provide them with targeted help and support
- ran an English Speakers of Other Languages (ESOL) course in partnership with Morley College. This was in direct response to requests from residents for ESOL provision and was run in June 2021.

As a result:

- forty-three weekly yoga sessions were run with a cumulative total of two hundred and twenty four attendances at sessions. Feedback on these yoga sessions included
  - “It helps me to relax and to forget any negative worries. It helps to calm your mind down, as well as your body.”
  - “I feel much more relaxed by the end of the class.”
  - “It keeps your joints and muscles active, especially for older people.”
  - “I find the days can be long when you live on your own, not speaking to anybody. The yoga classes break up your day on a Wednesday, it’s really nice to have a chat with everybody.”
  - “As a result of the exercise, all my muscles have strengthened, and I’m relaxed. For myself, the exercise helps to free all my sluggish muscles and as a result I’m more flexible for movement and relaxation.”
  - “The classes have helped all my muscles, including, breathing issues. Generally, it’s good for improving the whole body.”
  - “Very calming, just makes you feel good afterwards. Movements are easy for those who are not fit or lack mobility.”
- nine monthly wellbeing sessions were run with a cumulative attendance of twenty four residents
- eight residents were referred to welfare advice services for support
- a further twenty six residents were referred directly to Lambeth Council for assistance
- Thirty-two individuals applied to join the English conversation course, thirteen participants at level 1 completed the course. The remaining applicants were referred to Morley College for September ESOL provision
- of the learners who joined the course or who were referred for later courses, seven are on accredited ESOL courses, one on an accredited English course, one has joined an IT course
- a further three learners were referred to Croydon Adult Learning, and another three learners joined the waiting list for future ESOL classes at Morley College

### **Activities with partners**

To deliver our programmes in 2021/22 HFL worked with a wide range of partners. These included:

- Black Prince Trust – referrals of residents for sports activities, assistance with holiday activities
- West London Mission – promoting of money management courses and having West London Mission at a number of our events
- Clear Community Web – providing training partner for digital project
- South London Healthy Homes – referrals of residents for energy advice and support
- Centre 70 – referrals of residents for welfare rights advice
- Morley College – ESOL course June 2021, referrals to college for educational opportunities
- Project Smith – joint advertising of activities
- Blue Elephant Theatre – holiday activities and referral to Wellbeing Team for housing advice
- Christ Church Lunch Club – referrals to Lunch Club
- Tree Shepherd – referrals for self-employment advice

### **Resident Engagement on the estates which will be rebuilt**

We have continued to engage with residents on the six estates despite the restrictions placed on face-to-face engagement due to the covid pandemic. On South Lambeth, Westbury and Knights Walk engagement focused on the construction of new affordable homes. On Westbury and Knights Walk this

extended to working closely with the council to support residents moving into their new HFL Home built homes.

On Central Hill engagement started around masterplanning. This included a resident fun day, a 'Your Team' event and three 'meet the architect' events. As a result, over 190 residents were surveyed on their views via the 'Central Hill Conversation' and residents took part in the scoring of the architect's bids. Central Hill residents were also consulted on their views on proposed landscape improvements connected to Roman Rise.

Across the programme in 2021/22 Homes for Lambeth's engagement programme delivered:

- 22 Resident Engagement Panel meetings across the priority estates (including February 2022)
- five 'Your Team' events in partnership with LBL colleagues from the Liveability and Housing Transitions teams
- two Autumn half-term community fun days
  - Fenwick Estate
  - Central Hill Estate
- five other face-to-face resident events (not including Central Hill masterplan consultation activities)
  - 1 Christmas concert (Fenwick Estate)
  - 1 Photography exhibition launch (Knights Walk)
  - 2 x Open house events (Knights Walk)
  - 1 x Q&A event (South Lambeth)
- five days of Easter break family activities (hosted online)
- eight Estate newsletters editions sent to the priority estates (April to September 2021)
- 197 emailed bulletins, reminders, and updates to residents (April to December 2021)
- 40 Estate hub face-to-face drop-in days

### **HFL Homes resident engagement**

Over the course of 2021-22, Homes for Lambeth engaged residents at Lollard Street via regular resident forums, working groups, consultations and included them on a tender panel to choose the managing agent for new handovers. Homes for Lambeth also engaged residents using satisfaction surveys, newsletters and invited them to join estate inspections. Much was learned through this process and this informed the decision to change the managing agent on that site as well as make other smaller local improvements.

HFL has started estate inspections, coffee mornings, resident forums and working groups on the new sites at Westbury and Knights Walk.

### **Looking ahead to 2022/23**

In the coming year Homes for Lambeth will continue to engage with residents across the estates. As we, hopefully, move beyond the covid pandemic we will increase the face-to-face activities. However, Homes for Lambeth will also continue with the best of the online engagement which has made it easier for more people to get involved.

Homes for Lambeth will also seek to use the start of masterplanning on Central Hill and Fenwick to widen engagement across the whole range of our activities.

### **Social Impact Activities**

In 2022/23 our programmes will aim to:

- continue to deliver our programmes across all the 6 estates which we will rebuild
- deepen our partnership working with the council and other local partners in the delivery of programme
- ensure residents of the 6 estates benefit as much as possible from the rebuilding of their estates
- ensure our programmes, communications and engagement activities are accessible and beneficial to the communities living on the estates

To achieve these aims Homes for Lambeth will undertake the following programmes.

### **Your Digital Future**

This programme will continue with the aim of:

- distributing an additional 40 laptops and data connections
- continuing to provide training and support for residents to get online and develop new skill and move to in person activities on the estates where there is a need
- focusing the skills taught, these will include:
  - keeping in touch with friends and family
  - obtaining employment or better paid employment
  - supporting residents set up their own micro/small businesses

### **Your Skills**

This programme will continue with the aim of:

- reaching as many residents as possible through the programmes which the Employability Team run such as CV and mock interview workshops, confidence building and one-to-one support as well as on the estates activities where there is a need
- recruiting 5 additional apprentices to Homes for Lambeth
- recruiting 5 interns to Homes for Lambeth
- securing 5 work experience placements with partners
- recruiting 2 kickstart trainees

### **Your Wellbeing**

This programme will continue with the aim of improving physical and mental health, increased financial resilience and enhance access to educational opportunities. Homes for Lambeth will do this through projects including:

- gardening groups
- entrepreneurship support
- inter-generational educational
- fitness
- confidence building
- group counselling support

In addition to these programmes, Homes for Lambeth will also:

- implement the HACT social value calculator for all activities
- continue delivering the programme level EQIA by carrying out an Equality Diversity and Inclusion audit of engagement and communication approaches along with our social impact activities

Homes for Lambeth will submit the results of both to the councils Ownership and Stewardship Panel.

### **Resident Engagement on the estates which will be rebuilt**

In 2022/23 Homes for Lambeth will:

- continue with masterplanning on Central Hill Estate
- start masterplanning on the Fenwick Estate
- engage with residents on South Lambeth, Westbury and Knights Walk estates on the next phases of the rebuilding of these estates
- promote social impact activities on all estates
- develop individual estate timelines

### **HFL Homes resident engagement**

In the coming year we will continue with our forums and working groups, quarterly satisfaction surveys of all sites and regular estate inspections. Our managing agents Lambeth Council will have a more visible presence on all estates on a regular basis. In addition to this we will be forming a Resident Scrutiny Panel early on in the year to hold us accountable for the performance of overall services to residents including matters of health and safety. We also plan to recruit a resident to sit on the HFL Homes Board to contribute to the strategic direction and oversight of the organisation.

## **8. Liveability**

Lessons learned from other estate rebuilding projects, the Equalities Impact Assessments and experiences to date serve to underline the very real difficulties that can be experienced by residents on their estates ahead of rehousing.

To support residents through the estate renewal process, the 2020 CMDDR set out a set of draft Liveability Commitments on which it was intended residents would be consulted. The consultation took place in September 2021 and the results will be published shortly. Feedback was largely positive.

However, notwithstanding this, both the council and Homes for Lambeth have sought to deliver against the draft Liveability Commitments that were established last year and have made good progress in a number of areas. Highlights include:

### **Recruitment of a Liveability Estates Service Manager**

This manager is responsible for housing management across the six estates that are to be rebuilt. Alongside the team of housing officers, project officers and surveyors, the Liveability Estates Team has brought a dedicated focus to these estates to ensure that the Liveability Commitments are adhered to at all times and have introduced a new commitment to partnership working.

### **Creation of a 'Your Team' one stop shop**

The Liveability Estates Team have been working very closely with local residents and Homes for Lambeth to better understand the issues that are important to residents who lives are, or will be, affected by the rebuilding works. Together they have created "Your Team", a one-stop shop for residents to discuss all their concerns and speak directly to officers responsible for their estates. It includes a series of workshops dedicated to topics such as repairs, bidding, leaseholders, and housing management amongst others.

### **Mitigation panels**

To support residents through the disruption that estate renewal will bring, a Mitigation Panel process has been introduced. These allow the individual circumstances of residents living on estates adjacent to construction sites to be considered holistically by a panel chaired by the Liveability Estates Service Manager and are also attended by relevant Homes for Lambeth and council officers, plus the affected resident and any representatives they wish to invite. This enables mitigations to be applied expeditiously where necessary. To date there have been four held for residents living on South Lambeth and two at Central Hill.

### **A coordinated approach**

In addition to the above, the Liveability Estates team has instigated a series of workstreams to improve areas including pest control measures, drain clearance and fly tipping. In addition, at Central Hill, we have worked with a local charity (Rathbone) to bring the former area housing office into temporary use for youth / community facilities.

The Liveability Estates Team is also working closely with partners, including the police, public protection, adult social care, and regulatory service to seek to deal with Anti-Social Behaviour at an early stage.

In addition, the team have launched a door-knocking project to keep our existing records updated with information about residents experiencing vulnerability living on the 6 estates and putting in measures to support them such as sign-posting and referrals.

## **Equalities and Health Impact Assessments**

Equality Impact Assessments continue to be a key tool in ensuring the redevelopment programme delivers positive outcomes for all our residents. This year has seen the adoption of health impact assessments to supplement this work, allowing any possible negative health impacts of the redevelopment programme to be identified, including those resulting from construction and moving. Clear mitigations were adopted and their effectiveness reviewed.

Integrating health into masterplanning is a key workstream of the Central Hill Masterplanning process. Work is underway with the piloting of a combined equalities and health impact assessment with an enhanced approach to mental health and wellbeing. This work is being delivered in partnership with Public Health.

A refreshed equalities impact assessment and new health impact assessment which including one to one surveys with all residents on the estate has been commissioned for South Lambeth and is due for completion in quarter 1 of 2022/23.

## **9. Governance**

In April 2021 the Council and Homes for Lambeth entered into a Shareholders' Agreement (SHA) to replace the Memorandum of Understanding.

The performance of the projects and the overall programme is measured with a set of Key Performance Indicators (KPIs). These indicators enable the Council as shareholder to track actual progress against the agreed programme and are published as part of Ownership and Stewardship Panel meeting notes.