

Committee Policy and Resources	Dated: 6 October 2016
Subject: Increasing the supply of homes – progress report	Public
Report of: Director of Community and Children’s Services	For Information
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Summary

The City of London Corporation has committed to increase the supply of homes, including the delivery of 700 new homes on its social housing estates by 2025.

Current schemes are on course to deliver 200 of these units over the next three years.

Detailed preparatory work is being undertaken on eight other schemes, which will develop in excess of 500 new homes.

The overall programme is on course, and officers remain confident of delivering the target number of homes within timescale. However, it should be noted that many of the proposed schemes have yet to achieve planning consent, which is identified as a potential risk to both the timeline and scale of delivery.

Recommendation

Members are asked to:

- Note the report

Main Report

Background

1. In October 2015 the Court of Common Council approved a policy document - “Increasing the supply of homes – the role of the City of London Corporation” – which included a commitment to increase the supply of homes on its social housing estates by 25 per cent (700 homes). A further 3,000 additional homes will be delivered on development sites in the City Corporation’s ownership through initiatives led by the City Surveyor and is the subject of a separate report.

Progress and Current Position

2. The Department of Community and Children's Services (CCS) has, with the support of the City Surveyor, undertaken a range of actions in order to plan, prioritise, resource and deliver new homes. These actions are part of a 10 year programme to deliver 700 new homes by 2025.
3. A detailed feasibility study was reported to Members of Community and Children's Services Grand Committee in April 2016. The study assessed the viability and deliverability of 14 potential schemes, identified delivery risks, and commented on where it may be necessary or advantageous to dispose of some parcels of land to external developers.
4. Further to this work, the City Corporation has commissioned external consultants to develop a delivery strategy focussed on eight specific sites. This will enable the sites to be brought to the market in a manner that maximises value and benefits to the City Corporation, and allows the programming of the delivery. These schemes will together deliver in excess of 500 units within our Housing Revenue Account (HRA) estates, and include:
 - Longland Court - 270 homes
 - Sumner buildings – 90
 - York Way link development – 78
 - York Way - 40
 - Avondale Sq./Colechurch - 21
 - Avondale Sq. – 11
 - York Way mews – 11
 - Holloway Road/McMorran – 6
5. This work is being delivered alongside existing and planned schemes that will deliver more than 200 homes over three years, and that build on the delivery of 44 new homes in 2015/16 (43 at Horace Jones House and one at Dron House). These include:
 - 18 completed new homes on Avondale estate that will be handed over at the end of September 2016
 - 13 new homes on the Avondale estate for which planning consent has been achieved, and tenders for the work have been received: a Gateway Report will seek CCS Member approval to progress in October 2016
 - the delivery of 69 new homes at the City of London Primary Academy Islington site, for which plans have been developed and are the subject of pre-planning discussions with the London Borough of Islington
 - the delivery of 100 homes on the Mais House site for which a pre-planning meeting has been held with the London Borough of Lewisham and a response from the Borough is pending
 - the conversion of podium shop units into 9 homes on the Middlesex Street estate: approved by CCS Grand Committee and will commence in April 2017
 - the relocation and conversion of the existing Golden Lane estate office to deliver 4 new homes in 2017.

6. The scale of delivery on individual sites has been assessed with the support of the Surveyor's Department and external specialists. However, schemes may be subject to change, particularly as part of the planning process (see delivery risks below)
7. The overall programme to deliver 700 new homes by 2025 is progressing to plan, and officers remain confident that it will be fully delivered. While the phasing of the programme means that many of the schemes have yet to be subject to formal planning applications, the overall timescale allocated allows for this process. Officers will also continue to explore the potential of existing alternative or newly arising opportunities, should any scheme fail to progress.

Funding

8. The delivery of homes on City Corporation HRA estates will be funded through Section 106 (planning gain) receipts, grant funding (if available), borrowing within the HRA and, where necessary, cross subsidy from market sale of some new homes. Whilst some sources of finance are reasonably certain (i.e. currently held S106 monies and Right to Buy receipts) others can only be estimated at this stage.

Delivery risks

9. Delivery of this programme is subject to a number of potential risks which may impact on both the timescale and scope of delivery. These include conflict with local planning policies within host boroughs, objections from existing or neighbouring residents, and the complexities and sensitivities of decanting existing properties (where required).
10. Actions to mitigate these risks, including early consultation and engagement by officers, are in place. However, the support of Members in engaging partner local authorities and local communities is also essential to securing future delivery.
11. Members should also note that planning negotiations and applications can be very protracted, and procurement and approval processes necessarily add to the lead in time before any development can start on site. It is not anticipated that this will push completion of schemes beyond 2025.
12. It would appear likely that future development capital for new homes available to the City Corporation may reduce as a result of government policy changes. The Housing and Planning Act introduces Starter Homes as a new type of affordable housing. Developers will be required to designate 20 per cent of a new development as Starter Homes. This is likely to crowd out other types of affordable housing, including some Section 106 (planning gain) payments provided by developers for provision of affordable homes off-site, on which our new housing schemes have typically relied.
13. The Housing and Planning Act also contains measures (notably the sale of high value voids in the social housing stock) that present potential risks and

disincentives to future development within the HRA. Detailed regulation and guidance is still forthcoming, but when available a full assessment of the impact will be made, and mitigating approaches (if necessary) proposed.

Corporate & Strategic Implications

14. The current and future delivery of new homes fulfils the commitment set out in the policy document “Increasing the supply of homes – the role of the City of London Corporation”, approved by the Court of Common Council in October 2015.

Conclusion

15. The Department of Community and Children’s Services has taken action to deliver, and enable the delivery, of its housing commitments, and remains on target to deliver 700 new homes.

Appendices

- none

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