

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Camden's Community Investment Programme (CIP)	
REPORT OF Executive Director Supporting Communities	
FOR SUBMISSION TO Housing Scrutiny Committee	DATE 10 December 2018
<p>SUMMARY OF REPORT</p> <p>Camden's Community Investment Programme (CIP) is our 15-year programme to provide unprecedented funding into our communities – delivering 1,400 new genuinely affordable homes, building and refurbishing schools and new community facilities for residents. CIP will invest over £1bn into our communities – directly delivered by the Council in partnership with residents.</p> <p>This report provides a comprehensive overview of CIP, including the financial model, delivery to date and future schemes, and how the programme is responding to a changing local authority finance context and resident and stakeholder expectations.</p> <p>It outlines the ways in which the Council's housebuilding programmes have outperformed private sector developer comparators, and how the Council is providing strong evidence that a reinvigoration of the housebuilding role of local authorities would have a significant impact on the housing crisis.</p> <p>Local Government Act 1972 – Access to Information</p> <p>No documents that required listing have been used in the preparation of this report.</p> <p>Contact Officer: Neil Vokes, Director of Development E: neil.vokes@camden.gov.uk Tel: 020 7974 3419 5 Pancras Square, London, N1C 4AG</p>	
<p>RECOMMENDATIONS</p> <p>That the Committee note and comment on the report.</p>	

Signed:



Neil Vokes, Director of Development
Date: 28 November 2018

1. Purpose of Report

- 1.1. This report provides a comprehensive overview of the Community Investment Programme (CIP). CIP is a large cross cutting programme of investment into schools, homes and community facilities, however it has a clear remit to seek to address housing instability in all its forms – it is therefore within the purview of Housing Scrutiny to seek to have oversight of the Programme.
- 1.2. The Council has a clear vision for the CIP as a way to engage in citizen-led investment to tackle inequality, provide high quality housing and services for residents, and respond to the vision Camden and our communities have for themselves. The Council launched CIP in December 2010, at the outset of Government cuts to local authority budgets. The programme is a bold statement about Camden’s view of the capacity and ambition of the Council and our Borough, the role of councils in investing in communities to address growing inequality, and to support and protect the most vulnerable from sweeping welfare changes.
- 1.3. This report outlines the financial model, achievements and community engagement approach that the Council has taken in developing CIP to date. This is in recognition that one of the inherent advantages of the CIP model is its flexibility, and the Council will continue to develop the programme to respond to changing needs and priorities in both the short and long term.

2. Background to CIP

- 2.1. Camden Council in 2010 faced a severe financial challenge to its ability to invest in communities and in new Council homes. The Council estimated that across existing estate and Council housing stock refurbishment and repair requirements, and the investment needed for the Borough’s schools, there was a capital deficit of over £403m¹. The Council recognised that it had a rich legacy of investment in homes, commercial buildings and land within the Borough. As part of CIP, the Council has sought to honour this legacy of investment by making the best use of these assets to generate a return to reinvest and/or deliver community benefit.
- 2.2. Camden’s approach to funding a broad programme of investment was to take a key challenge – the high cost of housing and land – and use it to generate value for our communities. Camden is at the forefront of local authorities building homes. This includes homes for sale with the use of all the proceeds for public investment in new social rent homes, public realm improvements, funds to refurbish estates and community centres and other facilities. Even with the addition of the recent announcement of £30.8m grant funding from the Mayor of London the Council will only receive 5% of its capital funding for building and refurbishing homes, schools and community facilities from Government – meaning that we need to raise the rest ourselves. This excludes a one-off £80m grant the Council has received for the replacement of cladding at Chalcots, which will support the recent additional costs and pressures on our capital programme.
- 2.3. Over the 15-year programme, CIP aims to build at least 3,050 homes:
 - 650 replacement council rented homes – replacing poor quality homes with brand new often larger homes to help meet demand
 - 450 additional new council rented homes – for people on the housing register

¹ www.camden.gov.uk/theme/camden-bremen/ccm/content/press/2012/february/massive-self-funded-investment-in-schools-homes-and-neighbourhoods-to-transform-camden/

- 300 new intermediate affordable homes – including below market Camden Living rented homes
- 1,650 homes for sale – all the money from these sales will be reinvested back into Camden

3. Our CIP Delivery to Date - Homes

3.1 We are proud of what CIP has already achieved. Please see Appendix 4 for a map of all CIP projects. Directly delivering high quality new social rented homes for families and individuals in high need, below market rent homes through Camden Living and funding for improvements to existing Council housing and community facilities that is vital to our communities. The programme is in good health and in 2017/18 Camden delivered a significant proportion of all homes built by councils across London alongside improvements to schools and community centres.

3.2 Camden Council has a legacy of innovation and investment in social housing. From the iconic social housing of Neave Brown at the Alexandra Estate, to Benson and Forsyth's Maiden Lane, the Council of today seeks in all its CIP developments to recognise the dignity and humanity that high quality architecture and urban planning provides for residents. The Council has received a number of awards for its CIP developments, including a National Housing Overall Winner Award and RIBA Award for the Bourne Estate. The Council builds generously sized, high quality homes, for example Agar Grove provides spacious new homes with 30% increase in the average size of each unit and as the largest proposed Passivhaus scheme in the country is extremely energy efficient. CIP also delivers mixed and integrated developments mixing together social, Camden Living and market properties as at the Bourne Estate and Maiden Lane.

"I can't wait, it is a new start! Very luxurious, it is like living somewhere private! To sit on the balcony in the summer – you can't ask for any more! I have been in a lot of apartments and hotels – this is better!"

- Mr Dunn, Agar Grove, March 2018

3.3 Directly delivering CIP allows the Council to progress challenging schemes that involve a long term partnership with residents, require sensitive design in keeping with listed or heritage buildings, require radical upgrades or improvements to address poor public realm, or are infill to existing estates. CIP schemes are often complex, requiring engagement and commitment over time. Our approach to engagement, collaboration and partnership with residents from the outset of schemes to the end has evolved as we have continued with CIP.

3.4 To date we have built 721 new homes of the following tenure through CIP:

- 285 Council homes (156 additional and 129 replacement homes)
- 78 intermediate affordable homes (65 Camden Living rented homes and 13 for shared ownership)
- 358 homes for sale (this includes 70 units for sale at Netley, which were purchased by the Department of Transport and returned back to the Council as replacement housing for residents displaced by the development of High Speed Two, so the vast majority are now social housing units).

Appendix 2 provides a breakdown of the types of homes completed/to be built for all approved CIP schemes. **Appendix 4** provides a map of approved CIP schemes.

- 3.5 Separately to CIP the Council is developing high quality new housing, the majority being council homes, on Regent's Park estate to mitigate the impact of HS2. We have completed 95 homes to date across six sites on the Regent's Park Estate. Our replacement housing has allowed residents in blocks earmarked for demolition to move directly into high quality new homes, ensuring that all council tenants and resident leaseholders who wanted to stay in the area could. The programme's second phase will build 21 additional homes, 11 for council rent funded by 10 built for private sale.
- 3.6 In addition to building new homes CIP has helped to fund improvements to existing Council homes through the Better Homes Programme. The Council has carried out internal works to 16,724 tenanted homes replacing kitchens and bathrooms, repaired roofs and windows across 8,264 homes, replaced over 200 lifts and put in place a comprehensive programme to renew 61 communal heating systems.

4. Our CIP Delivery to Date - Camden Living

- 4.1 The Council established Camden Living, an independent company which is wholly owned and funded by the Council, to provide Living Rent homes that are significantly below the market rent. The lower rents are part of the Council's aim to provide a Camden Living Rent for people living and working in the borough, such as key workers. The Council was advised that it needed to set up a company to do this because the Council is not legally able to let homes on an intermediate (below market) rent.
- 4.2 Camden Living purchases affordable homes, previously planned as shared ownership units, built through CIP from the Council at market value. The company is required to let property at below market rents. These non-social rent affordable homes built by CIP were originally planned for shared ownership, but house price rises have made these increasingly unaffordable for people on average incomes in Camden. Therefore, the Council has instead sold these homes to Camden Living (at the market value for intermediate homes) and the company has then let these homes at a Camden Living Rent.
- 4.3 This approach is consistent with the Intermediate Housing Strategy agreed by Cabinet in April 2016, which aims to ensure that intermediate housing across the borough is a viable option for developers and produces a majority of units that are affordable to households with incomes of £30k to £40k. The Council has set up an intermediate housing register of interest² that currently has 996 people registered as interested in below market rented homes, showing the significant demand from local residents. The council has successfully defended its policy at a planning appeal where on a private scheme from a housing association; there was an attempt to introduce shared ownership and a low level of affordable housing overall.
- 4.4 Camden Living has initially acquired 65 new flats at Maiden Lane, Bourne Estate and Chester Balmore built through CIP and previously earmarked for shared ownership sale. The 65 flats have been let to 107 tenants (tenants include couples and other sharers) of whom:
- 67 (63%) work in public sector roles that add social value, including:
 - 36 (34%) working in health including 16 nurses, 3 doctors a radiographer and 6 working in medical research

² www.camden.gov.uk/ccm/navigation/housing/housing-options/intermediate-housing/?page=7#section-7

- 13 (12%) working in education including 7 teachers
 - 4 police officers
 - At least 27 (25%) are sons or daughters of Camden council or housing association tenants. Two lived on Maiden Lane and two on Bourne and are now Camden Living tenants on the same estates
 - 12 moved from overcrowded family homes
 - Two are council tenants who were willing to give up secure tenancies for more space
- 4.5 The Council has plans for a further 96 Camden Living units in the approved CIP programme and is identifying sites for further homes. The Council's longer-term aspiration is to grow the number to 500.

5. Our CIP Delivery to Date - Schools and Community Facilities

- 5.1 CIP has created new community facilities such as the St Pancras Community Centre, a new tenant hall at Bourne Estate and refurbished old workhouse style accommodation at Mount Pleasant to create a new state of the art residential training facility for homeless people. We have recently completed the new Greenwood Centre in Kentish Town. The Greenwood Centre will house the Council's first Centre for Independent Living (CIL). It will also be the new home for Mental Health Day Services, Learning Disabilities Day Services, and have a café, commercial space and rentable spaces for the community to access. These combined services will aim to promote wellbeing, independent living and a better quality of life.

"We've increased footfall 3 or 4 times over the last 3 years and opened up whole new programmes. Feedback has been very positive. People like the space and the services they get."

"We've also been able to attract commercial business that we'd never have got in our old building and this has helped to make us more sustainable. We're now generating £130,000 a year from business activities, which compares to just £30,000 in our old building. That's all new money for local community services at a time when grants are drying up fast. I very much doubt St Pancras Community Association would still exist if we hadn't got the new building when we did."

- Graham Cobb, Director of St Pancras Community Association

- 5.2 Following the loss of *Building Schools for the Future* funding in 2010, CIP has enabled the Council to invest £117m to date into high-quality new school facilities for children at a time when there has been almost no national funding available, and we expect to invest a further £50m in the next few years. CIP has built new school buildings for Netley and Kingsgate primary schools. Kingsgate's new infant school building opened its doors to children last September – the project creates capacity for up to 420 new school places responding to long-term demand in the north west of the borough. Feedback from pupils, parents and teachers has been extremely positive and the new building was one of three new schools to win a national RIBA award for design as well as being shortlisted for a New London Architecture (NLA) award.

"I like how spacious it is, I have a four year old and a seven year old son who both attend the school and they always tell me how much they love their new playground"

- Romana (parent), March 2018

“Kingsgate makes successful use of the site, within a carefully considered masterplan that addressed the adjacent railway line and benefits from a southern aspect, creating a ‘connected’ public space. Owing to this careful layout of the site, the flexibility of key spaces in the school with the wider community use has a real chance of success. Above all, a laudable procurement of the school design tailored to the client’s vision and pupil’s needs where one senses the children attending this school are off to an exceptional start in education.”

- RIBA panel, June 2018

5.3 CIP’s largest school project is underway, building improved science, sports and other accommodation for Parliament Hill, and new learning spaces for William Ellis School, alongside a new purpose built sixth form centre for LaSWAP completed this summer. October saw the new William Ellis extension - providing new music and drama studios – handed over to the school. The new building for Edith Neville primary school in Somers Town is also progressing well and will complete next year. The Council estimates that over 17,000 students are learning in improved educational environments in Camden as a result of CIP investment. This record investment has ensured we provide the best possible environment for our pupils, and that we maintain our family of schools.

6. How does the Council fund the Community Investment Programme?

6.1 The CIP funding model allows Camden to pay for new council and Camden Living homes and invest in schools and community facilities by making the most of the value of homes and land in Camden. Even with the more generous GLA grant recently made available new council and affordable homes require significant subsidy. The average new council home in Camden produces an annual rent of approximately £7,000 from which all management, maintenance, major works and tenant support costs need to be funded. The remaining net rental income does not come close to meeting the subsidy needed to pay for the cost of the new home.

6.2 Camden was at the forefront of local authorities building new homes for sale as a way to build new social and affordable rent homes and to fund capital investment into our existing housing stock. However, a number of other authorities are now using this option. Every pound raised through these sales is reinvested back into Camden, redistributing the money from those who can afford to buy their own homes, to invest in genuinely affordable social housing. The homes for sale are marketed first to Camden residents and then more widely in London.

6.3 Both the Greater London Authority (GLA) and, belatedly, national government have recognised the need to offer greater support to councils to build new homes. Although both the recent GLA funding announcement and the government’s relaxation of rules around HRA borrowing are welcome, neither removes the need for Councils to subsidise the building of new council and affordable homes. The Council recently secured £30.8m in grant funding from the GLA to help fund 308 social rent homes within CIP across a range of schemes. The GLA is providing a higher level of grant funding per unit (£100,000) to support the delivery of homes within a relatively short funding window – 2018/19 to 2021/22. In order to be eligible for funding the homes had to start on site within this window. The Council identified 308 units on approved

schemes which will start on site in the required period. These schemes all have planning permission, resident support and a capital budget attached. We were previously planning to use retained Right to Buy receipts to help fund these homes, - government rules allow us to use RTB receipts to cover up to 30% of the cost of a new affordable home – but by securing grant we can use RTB receipts to bring forward further new council and Camden Living Homes on new schemes. Currently the Council cannot apply *both* grant and right to buy receipts to cover the cost of constructing individual units – this is an issue that we have lobbied Government to change, as it is a significant impediment to our ability to bring forward new affordable homes.

- 6.5 The Council largely funds refurbishment and major repair works on our estates through the Housing Revenue Account (HRA) from the rents the Council receives from tenants and service charges from leaseholders. The Council could also borrow to fund capital work, but until October 2018 the level of borrowing was capped by the Government. This has now changed, due to consistent lobbying by Camden and local government. The Council's borrowing will remain limited by broader prudential borrowing rules – in effect, this means that the Council needs to consider whether new borrowing is prudent and affordable. As the rents from social housing units are significantly lower which limits the ability to fund additional debt, the Council will need to continue to identify alternative sources of funding to repay debt incurred to fund the building of social housing.
- 6.6 Due to changing market conditions and Brexit, growth in house prices in London has slowed with market indicators showing little growth or in some cases a small drop in prices over the last two years. At the same time, transaction volumes have fallen and construction costs are continuing to rise, albeit signs are that cost inflation could be slowing.
- 6.7 Savills latest forecast of the London housing market (published in October 2018) predicts houses prices to fall by 1% in 2019, no growth in 2020 but then for prices to start to rise again in 2021 and overall growth of 7.1% in the next 5 years. In practice there remains significant uncertainty as negotiations around Brexit continue but this forecast gives a flavour of the current market. Despite these market conditions, homes built through CIP continue to sell. In 2017/18 we completed sales of 110 homes and have sold 25 homes so far in 2018/19, with a further 17 new reservations due to complete by end of year. We currently have 140 homes on the market at Maiden Lane, Holly Lodge, Bacton Low Rise, Bourne and Abbey Road. Positively the majority of our purchasers are Camden and London residents. A summary of homes sold and unsold on schemes to date are included as **Appendix 3**.
- 6.9 Overall prudent budgeting and the length of programme offer resilience and confidence that CIP can continue to deliver the approved programme under current market conditions. Were house prices to fall significantly and not recover, the structure of CIP and individual CIP schemes would need to be reviewed. Similarly if the rate of sales slows significantly then it will impact the Council's ability to fund approved CIP schemes and phases which could delay the start of construction. Market risk is regularly monitored and schemes reviewed to ensure that designs are cost effective and homes for sale respond to current market demand.
- 6.10 The Council has developed a financial model within the CIP that is sufficiently flexible to respond to the forces that affect our development costs and sales receipts. By directly managing the schemes, the council can take a long-term approach to investment, and unlike an individual developer, deal with fluctuations in the market and phase schemes to overcome some of these challenges. Recognising the current increased uncertainty in the housing market, the Council is appraising its approach of

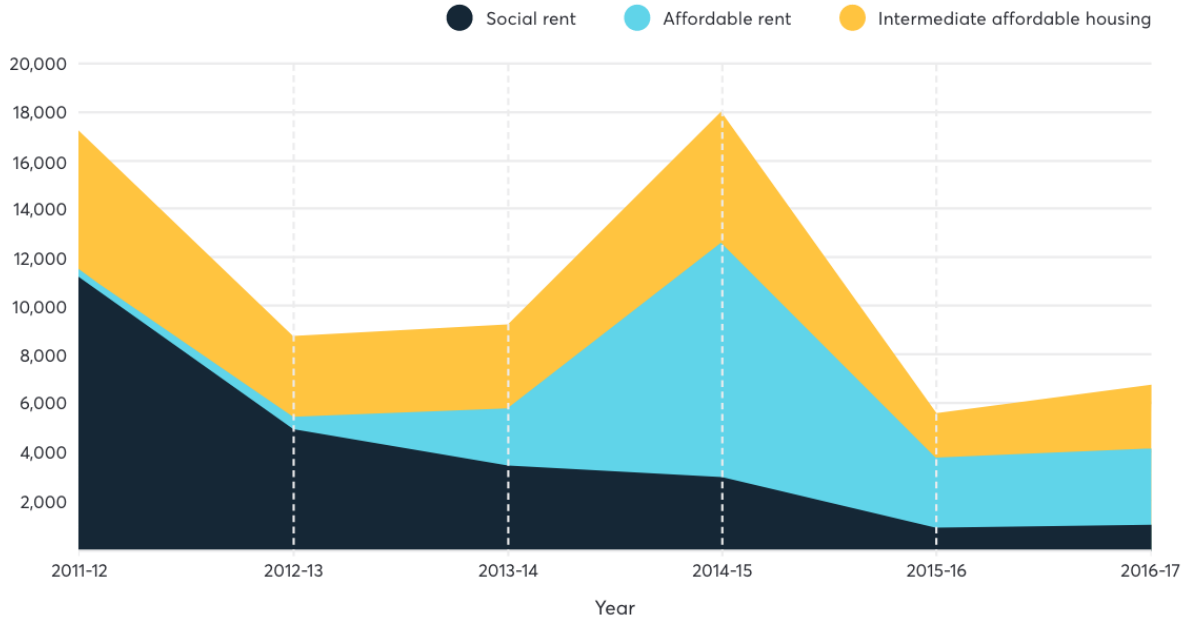
building for sale, and identifying whether it would be advantageous to let the properties at market rents in the short term to manage the risk of a down turn in the housing sales market. As well as exploring options around longer-term renting for future schemes yet in the agreed pipeline.

7. Camden as builder

- 7.1 Camden has led the field in delivering homes directly in London and other boroughs are increasingly following suit with Islington, Lambeth, Haringey, Croydon and Ealing developing their internal capacity or setting up wholly owned development companies that allows them to retain full control of schemes. A recent report from Centre for London set out the challenge facing the supply of new affordable homes in London, highlighting the need for councils to take a leading role: *“London is facing a housing shortfall, and a low supply of new affordable housing:*
- *The bulk of housing, including affordable housing, is delivered by a fairly small pool of developers;*
 - *Developers concerns about risk and lowering sale prices are resulting in slow rates of delivery;*
 - *This is compounded by continuing loss of social housing stock, with only about a third of homes sold through right to buy (RTB) being replaced”.*³
- 7.2 The Council’s preference is to deliver CIP directly because it retains control and accountability for projects, and can direct investment and funding toward community priorities. Taking direct control provides councils with control over the timing, number and types of homes. Unlike private developers, the priorities of the Council are aligned to local residents allowing what would have been used as developer margin – typically around 20% of the total cost of development - to be reinvested in wider properties for residents.
- 7.3 Working with development partners risks giving up more than just the profit margin as it can entail a loss of control over the timing, quantum and type of affordable homes. Private developers are less likely to be able to bring forward new council homes in the first phase of development to facilitate a single move for residents moving into new homes as the Council has at Agar Grove and Bacton Low Rise. Private sector partners are also less willing to consider schemes at more commercially challenging sites.
- 7.4 Taking a partnership approach with a private developer could financially de-risk schemes for the Council, but at the cost of a reduced direct investment into communities. The Council has taken the view that this cost is too high when the Council is seeking to prioritise investment into communities and will only consider partnership approaches for particular sites where partner expertise can add significant value.
- 7.5 As the first diagram below shows, there has been long term decline in the delivery of social rent homes in London. The second chart illustrates how Camden has bucked this trend in London by moving into the market to build new social rent homes at exactly the time when the private sector has demonstrated its lack of capacity or interest to provide genuinely affordable housing. The Council is delivering more social rent homes than the market in Camden, and in 2017/18 delivered close to half of all homes completed by councils across London. The Council is a large and effective developer of new homes at a scale, quality and affordability that outperforms the private sector.

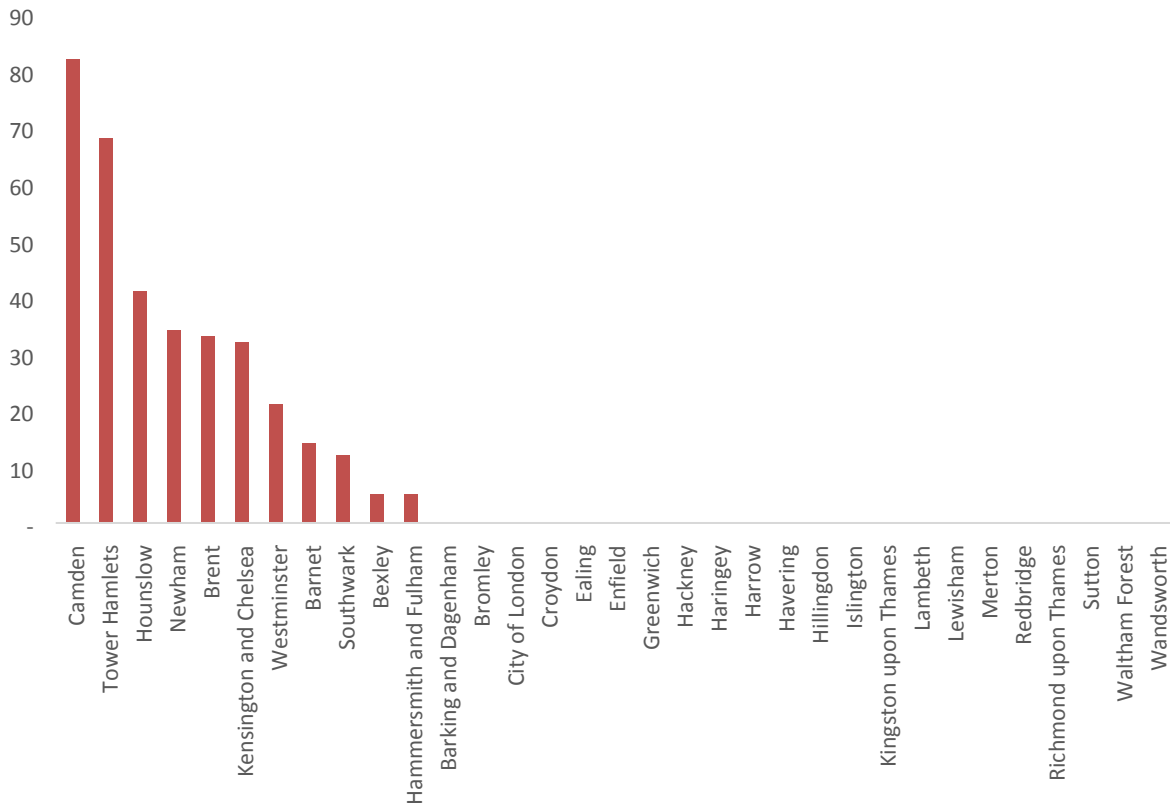
³ Centre for London “Borough Builders” 2018

Figure 1: Total number of additional affordable housing completions in London, 2011-2017



Source: Ministry of Housing, Communities and Local Government: Affordable Housing Supply Statistics, November 2017

2017-18 Social rent housing completions



Source: GLA, Affordable housing starts and completions⁴

7.6 Whilst seeking to develop its capacity to act as a social and community developer of new genuinely affordable housing, the Council makes decisions about schemes individually – identifying what is best for each site in partnership with the local

⁴ www.london.gov.uk/what-we-do/housing-and-land/increasing-housing-supply/affordable-housing-statistics

community. Financially, the Council seeks to ensure that schemes are viable and stand on their own – that the capital receipts delivered through the sale of homes for sale covers the cost of construction of new social rent homes, new community facilities and any other non-income generating outcomes from the scheme. Where possible, and where it does not impact the wider benefits that can be realised through a scheme, the Council also seeks to realise a capital receipt that can be reinvested into the wider programme. A good example of this individual viability is the Plender Street / Brayshaw House scheme set out below.

<p>New community centre St Pancras Community Centre</p> <p>New shops and retail units Upgraded sports pitches</p> <p>Total development cost of £3.77m</p>	<p>31 homes built for private sale</p> <p>Total development cost of £6.64m Sold for £19.13m</p>	<p>14 affordable homes Brayshaw House</p> <p>Total development cost of £4.85m</p>
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The balance of **£3.87m** will be used as working capital to fund the upfront costs of developing other CIP schemes.

- 7.7 The Council has previously quoted £400,000 per unit as an average total development cost for homes built as part of CIP. In publishing this number the Council was seeking to be transparent about its costs - £400,000 includes the total cost of development on average including construction of the new home, wider public realm improvements and contributions to community facilities, and the cost of buying back any leaseholder homes in order to facilitate the wider development. Our, per unit, construction only cost varies depending on where the scheme is, the complexity of the design and the wider construction market when the contract is tendered. In comparing with other local authority published figures and private sector costs the Council believes this is competitive. For example the range of costs for five of our mostly recently completed schemes varied from £2,250 per sqm to £3,100 per sqm (by Gross External Area).
- 7.8 The Council, as part of prudent financial management, is taking steps to ensure we continue to get value for money in the face of rising construction costs without compromising on quality. CIP's robust governance process assesses project viability and value for money at key stages of development. We are currently reviewing our design standards and how we procure contractors. We believe firmly in delivering the highest quality, not compromising on design, and ensuring that we learn the lessons of the past – when cutting corners and reducing quality lead to longer-term issues which we are now having to address.
- 7.9 The Council is also pioneering new methods of construction. A number of CIP projects have used Cross Laminated Timber (CLT) and we are now exploring offsite manufacture as a way of reducing build costs, improving standardisation and reducing time on site.

8. The Council's Community-Led approach to Development

- 8.1 Camden residents are at the heart of CIP – one of its key outcomes is ensuring that the homes that Camden residents live in are safe, warm and genuinely affordable. The Council directly delivers CIP so that we can retain the strong link and accountability to communities that a local authority provides. The Council seeks to build homes and schemes that ensure that local issues are addressed – whether that is the need for larger homes for growing families, delivering new social and Camden Living rent homes for workers on lower incomes, designing streets to reduce crime, building a new school or health centre or designing a new playground.
- 8.2 The Council's approach to community engagement has evolved as we have developed schemes of varying requirements and scales. We are confident that our current approach to resident and stakeholder engagement is consistent with both the values and approach of the Mayor's Best Practice Guide to Estate Regeneration (released in February 2018) and consistent with our broader commitments as a Council to be resident and community led, and to give people a clear voice in decision making that affects them. The aim is to only proceed with Estate-led regeneration schemes where they have received the support of the majority of residents following a comprehensive engagement programme – this may be determined by a ballot in cases where this is necessary or by other substantive engagement with each household as occurs across all our schemes. Residents are involved in the design and development of schemes from the outset and throughout.
- 8.3 The Council made a number of commitments to residents at the outset of the CIP that were enshrined as the CIP Pledges. These pledges have remained the guiding principles for schemes and form the basis of our collective offer to all residents affected by CIP schemes across the Borough. The CIP pledges are listed in Appendix 2 to this report, however some of the most important are:
- There will be **no net loss** of Council homes in Camden – more Council homes will be built under the CIP. Alongside new social rent homes the Council will build new and additional Camden Living rent homes for key workers and those on low incomes
 - Camden tenants will not be moved out of the Borough during regeneration if they need to move from their existing home and will have a priority right to return to new Council flats being built
 - We will only build homes for sale to fund regeneration – all of the money raised from sales or development will be recycled into building new Council social rent and Camden living rent homes and other their community facilities as part of CIP or used to help fund improvements to existing council homes through our Better Homes Programme.
 - **Leaseholders will be compensated** for loss of their property at market value plus 10%. If they wish to buy into the new scheme, where the new property is more expensive than the sale price of their existing home, they can access a shared equity scheme where the Council will not charge rent on the uplift.
 - Council tenancies **will be secure**. This means that council tenants will remain Camden council tenants. Camden **believes in Council housing** and does not want short-term tenancy conditions in Camden.
- 8.4 These pledges, with small amendments to reflect the Council's introduction of Camden Living rent units, have been in place since 2011 and are significantly aligned with the best practice set out by the Mayor of London and tenant advocacy groups.
- 8.5 As far as possible, the Council seeks to phase schemes so that it builds social housing (or other public benefits such as a school) first, so that residents only move once – we

have achieved this at Bacton Low Rise for a number of tenants, and on Agar Grove where 38 new Council homes were built to provide replacement homes for existing Council tenants whose homes were to be demolished. A private developer would be unlikely to take the risk of front-loading social rent delivery and other public benefits in this way.

8.6 In some cases it is not possible to phase the scheme in a way that sees people move into a new home straight away, meaning that residents need to be moved to an existing Council home before deciding whether to return to a home on the new regenerated estate. In these cases, residents are provided with a choice of alternatives, including sites close to their existing home. All tenants have the right to return to a new home on the estate that is matched to their assessed bedroom need (not the size of property that they were living in) if they wish to. Many residents choose not to return as they are happy with the alternative Council home that they were allocated as part of the decant process.

8.7 The table provides the breakdown of the number of residents who have moved back to Estates. As stated previously, the Council offers all residents the option to return to the completed development to suit their housing needs.

Scheme	Tenants decanted	Tenants returned	%	Comments
Chester Balmore	20	5	25%	
Bacton Low Rise	87	40	46%	All tenants have been decanted but the development has not yet completed
Maiden Lane	32	5	16%	
Bourne	19	6	32%	
Holly Lodge	36	14	39%	

8.7 The Council helps adult sons and daughters living with parents in tenanted homes to access a Council property if they have lived in the home for at least 12 months before the redevelopment work is approved. The Council may also make a tenant household a direct offer based on their needs and preferences in order to help them move, consistent with local lettings plan.

8.8 The Council always works to engage residents in the process of building new homes. This ranges from asking residents to help select architects to co-developing decant strategies and local lettings plans. The Council pays for residents to attend workshops that help them understand the regeneration process so that they can participate fully in the development of designs for their homes, and provide strong critical challenge.

8.9 We have taken this a step further and are piloting an innovative peer to peer engagement model, where local residents have been employed to help us tailor our approach in delivering community led regeneration. Below is a summary our engagement to date on the Wendling and West Kentish Town Estates.

Wendling and West Kentish Town

8.10 Following a consultation ending 2016 that was inconclusive and did not reach the right audience, Cabinet agreed in December 2018 a paper that approved carrying out an options appraisal for the Wendling and West Kentish Town estates. The estates would benefit from a capital receipt being realised at Camley Street.

- 8.11 Early in 2018 the Council appointed five Community Liaison Advisors (CLAs) who are residents within the Gospel Oak and Haverstock wards.
- 8.12 The CLAs have worked with officers to set out the principles of what they saw as inclusive and collaborative engagement based around the three I's, Inform, Involve, and Influence. In this way the CLAs have identified a range of communication tools that can be used to inform residents of what is happening with their estate, activities that can be carried out with residents to involve them in process and then set out clear feedback mechanism to show how they have influenced the process as result of their involvement.
- 8.13 In spring 2018 the CLAs helped to set up a ward-member led steering group for each of Wendling and West Kentish Town Estates. This included helping officers to draft a Terms of Reference and Code of Conduct for each Steering Group.
- 8.14 CLAs have also helped residents to understand the regeneration process and encourage them to be actively involved in the appointment of lead architects for each estate in summer 2018. This has allowed the development of an estate led residents' brief to begin that outlines what their priorities are for any redevelopment option.
- 8.15 Set out below is a summary of all the engagement for both estates since February 2018 which has included:
- 557 homes visits;
 - 425 forms completed with CLAs explaining what the options appraisal process means face to face;
 - 28 letters / newsletters/ flyers have been hand delivered by CLAs – using the opportunity to speak to residents on the estates;
 - 18 open estate or steering group meetings with ward members;
 - 49 drop-ins held;
 - 10 days of exhibitions;
 - 10 estate newsletters;
 - 4 site visits / walkabouts between architects and residents; and,
 - 2 days of resident training in design and appraisal.

9. The future for CIP

- 9.1 The Council is ambitious to build more Council and Camden Living homes and invest further in community facilities through CIP. The Council is seeking to continue to directly deliver CIP schemes and to seek to ensure that the programme retains a flexible financial model that allows us to respond to residents ambitions for their communities, the various faces of the housing crisis, the Council's own changing financial outlook, and any new funding or financial powers Councils have to build more new homes.
- 9.2 The CIP report to Cabinet last December⁵ set out next steps to develop options for possible redevelopment of sites in Gospel Oak and Haverstock (incorporating West Kentish Town and Wendling estates) and at Camley Street as part of the next phase of CIP. Options for the sites in Gospel Oak and Haverstock are being developed with residents of the estates who helped to appoint design teams to work with them.

⁵ <http://democracy.camden.gov.uk/documents/s63736/13%20CIP%20report.pdf>

- 9.3 Early exploration of a mixed-use development at council owned sites on Camley Street is underway and the Council is engaging with Camley Street Sustainability Zone and other landowners to discuss proposals for the area. The Council's place-shaping and regeneration team is also developing a supplementary planning document (SPD) setting out a vision for the wider Camley Street area with consultation on a draft plan to be undertaken early in 2019.
- 9.4 The lifting of the HRA borrowing cap has provided the Council with further flexibility in delivering schemes, but does not address the significant shortfall the Council faces when funding the construction of a new social rent or Camden Living Rent home. The Council's ability to fund borrowing from rental income generated from new build properties is limited by the affordability of debt repayments based on the income received from rent.
- 9.5 The Council is ambitious to do more, and continues to lobby Government, in partnership with neighbouring boroughs, to create a sustainable funding system for delivering new social and genuinely affordable homes at scale and at pace, sufficient to address the housing crisis. The Council will seek at all opportunities to make the case to Government for the strong and vital role of local authorities as direct developers.

10. Finance Comments of the Executive Director Corporate Services

- 10.1 The Executive Directors comments are included in the report.

11. Legal Comments of the Borough Solicitor

- 11.1 Legal Services comments are inserted in the report.

12. Appendices

Appendix 1 – Homes completed / to be delivered on approved CIP schemes
Appendix 2 – Community Investment Programme (CIP) Pledges
Appendix 3 – Summary of Sales of Homes on CIP schemes to Date
Appendix 4 – Map of CIP Projects

REPORT ENDS

Appendix 1 – Homes completed / to be delivered on approved CIP schemes

The table below provides details of the number and type of homes completed / to be delivered for approved CIP schemes and phases.

Status	Project and Phase	Additional Council/ social homes	Replacement Council Homes	Camden Living homes	Shared ownership	Homes for Sale
Completed	Holly Lodge Phase 1	15				
	Holly Lodge Phase 1b	15			4	12
	Holly Lodge Phase 2a	8			8	7
	Holly Lodge Phase 2b	4			1	11
	Netley	10				70
	Bacton Low-rise Phase 1	20	26			21
	Chester Balmore	3	20	4		26
	Plender Street (St Pancras Community Centre)					31
	Bourne Estate	15	19	10		31
	Maiden Lane Estate	43	32	51		147
	Barrington & Lamble (Gospel Oak Infill)	3				2
	Camden Street	14				
	Agar Grove Estate 1a	6	32			
	TOTAL Completed		156	129	65	13
Under construction	Agar Grove Estate 1b		34			23
	Abbey Area phase 1	32	34			75
	Central Somers Town Phase 1	10				
	Kiln Place (Gospel Oak infill)	7				8
	TOTAL Under Construction	49	68	0	0	106
Not yet in contract	Maitland Park	16	36	6		57
	Abbey Area phases 2 & 3		36	12		52
	Bacton Low-rise phase 2		61	10		176
	Highgate Newtown Community Centre*			7*		34*
	Agar Grove Estate 1c		5	33		73
	Agar Grove Estate 2a		105			
	Agar Grove Estate 2b			4		144
	Agar Grove Estate 2c		34			
	Liddell Road Phase 2	4				102
	Central Somers Town Phase 2	34				92
	Greenwood Phase 2	8				52
	Barrington & Lamble ('Three Sisters')					3
	Oseney Crescent (Greenwood Annexe)				24	
	Tybalds Estate	Scheme currently under review - housing numbers TBC				
TOTAL Not yet in contract	62	277	96	0	785	

* Tenure mix subject to agreement of proposed planning amendment

Appendix 2 – Camden Community Investment Programme (CIP) Pledges

The CIP pledges include:

- There will be **no net loss** of council homes in Camden - **more** council homes will be built under the CIP as well as new genuinely affordable homes for key workers and those on low incomes.
- We are creating **mixed developments** of social housing, Camden Living rent and private homes because we want to maintain Camden's unique social mix and ensure the borough remains **a place for everyone**.
- Camden tenants **will not be moved out of the borough** during regeneration and will be given priority on new council flats built.
- We will only build private homes to fund regeneration. **All of the money** raised from sales or development will be recycled into building new Council and genuinely affordable homes and other community facilities as part of CIP or used to help fund improvements to existing council homes through our Better Homes Programme.
- Homes for sale will be marketed first to local people and key workers. **Leaseholders will be compensated** for loss of their property at market value plus 10%. If they wish to buy into the new scheme, where the new property is more expensive than the sale price of their existing home, they can access a shared equity scheme where the Council will not charge rent on the uplift.
- Tenants will have a **key role** in the design of new flats, which will replace ones which are old, damp, have poor electrics and heating.
- Residents will receive financial support to help move.
- Council homes will not be auctioned.
- Council tenancies **will be secure**. This means that council tenants will remain Camden council tenants. Camden **believes in Council housing** and does not want short-term tenancy conditions in Camden.
- New homes will be covered by the council rents policy, so there will be no change to the existing payment structure agreed with tenant representatives annually.
- Our firm rule is that council homes should **not** be replaced by housing association flats.

Appendix 3 – Summary of Sales of Homes on CIP schemes to Date

Project	Reserved Units	Exchanged Units	Completed Units	Available Units	Total Sale Units
Completed Schemes					
Chester Balmore	0	0	26	0	26
Chester Balmore (Shared Ownership)	0	0	4	0	4
Netley	0	0	70*	0	70*
Holly Lodge (Phase 1a and 1b)	0	0	11	0	11
Holly Lodge (Phase 2a)	0	0	7	0	7
Plender Street	0	0	31	0	31
Maiden Lane	3	0	102	42	147
Holly Lodge (Phase 2b)	0	0	8	3	11
Holly Lodge (Shared Ownership)	0	0	10	4	14
Bacton Low Rise (Phase 1)	5	1	12	3	21
Bourne Estate	9	0	9	13	31
Barrington & Lambie Infill	0	1	1	0	2
<u>Sub Total</u>	17	2	291	65	375
Future Schemes (off plans sales)					
Abbey Phase 1	0	0	0	75	75
Kiln Place	0	0	0	8	8
Agar Grove Estate (Phase 1b)	0	0	0	23	23
Agar Grove Estate (Phase 1c)	0	0	0	73	73
Agar Grove Estate (Phase 2b)	0	0	0	144	144
<u>Sub Total</u>	0	0	0	323	323
<u>Grand Total</u>	17	2	291	388	698

* 70 homes at Netley were purchased by the Department of Transport and returned back to the Council as replacement housing for residents displaced by the development of High Speed Two, so the vast majority are now council homes.