



**Report of:** Executive Member for Housing and Development

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward(s):</b>
Housing Scrutiny Committee	23 July 2020	All

<b>Delete as appropriate</b>	<b>Exempt</b>	<b>Non-exempt</b>
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## **SUBJECT: Housing Scrutiny Review of the council's New Build Programme – Executive Member response – 12-month update on recommendations**

### **1. Synopsis**

- 1.1 On 18<sup>th</sup> October 2018, the Executive agreed a report from the Housing Scrutiny Committee about their review of the council's New Build Programme. The report highlighted 3 recommendations to improve housing services to improve the delivery of genuinely affordable housing.
- 1.2 This report updates the Housing Scrutiny Committee on work carried out by the New Build Team (NBT) to meet the recommendations of the original scrutiny report and outlines future work to improve services to vulnerable residents.

### **2. Background**

- 2.1 In December 2017, the Housing Scrutiny Committee started a review looking at the council's new build programme in comparison with other boroughs.
- 2.2 The main objectives of the review were to:

- Review the principles underpinning the council’s new build programme.
- Review the design, build and environmental standards of the council’s new build housing.
- Assess the obstacles to developing more council housing in Islington.
- Evaluate the decision making process for how new council housing developments are identified and progressed.
- Assess the level of resident involvement in the new build process.
- Consider how new build properties are allocated.
- Evaluate the performance of the new build team.
- Compare the council’s approach to new build in other London boroughs.

### 3. 12-month update on Recommendations

Recommendation	Response to Recommendations – Exec response	What we have done over the past 12 months and future plans
<p><b>Recommendation 1</b> - Islington Council should consider if it can enhance public engagement and consultation processes in advance of significant new build schemes. This could include holding community events, the appointment of local residents to community liaison positions and co-designing aspects of the scheme that will have a direct impact on local residents.</p>	<ul style="list-style-type: none"> <li>• The council’s New Build Team (NBT) have extensive experience of delivering effective consultation on new build sites with years of good practice fed into the process. This has resulted in the successful delivery of new build sites over the last 10 years with significant resident buy in. However, as the programme has expanded with schemes becoming larger and more complex, it is timely to review the consultation processes.</li> <li>• The council’s new Housing Strategy, which is currently in development, will include the council’s strategy for developing new homes. The strategy will include a communications plan for the new build programme: <ul style="list-style-type: none"> <li>○ Setting out a positive and consistent articulation of our new build programme and its benefits to all residents.</li> <li>○ Establishing a process for demonstrating resident support for the new build programme and our</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The NBT have funded a dedicated Communications Officer to co-ordinate consultation and communications across the new build programme, their duties have included: <ul style="list-style-type: none"> <li>○ Drafting a communications plan for the new build programme (see appendix X)</li> <li>○ Drafting Consultation Plans for individual schemes</li> <li>○ Support project managers responses to residents and members (this has been vitality important to provide comfort to residents following the outbreak of Covid and construction sites being mostly closed then re-opened again, that their health and safety is considered paramount to the council)</li> <li>○ Ensuring information from contractors to residents is in plain English, consistent with council messaging and policy and provided in a timely manner.</li> <li>○ Support the consultation process through liaising with the new build, design and print team in the production of the materials</li> </ul> </li> <li>• The way the NBT consults with residents regarding new schemes has been reviewed and a new ‘virtual’ consultation process has been signed off by the New Homes Board (see appendix 1) which addresses the challenges posed by consulting during lock down and beyond. Some of the key features of this new approach are as follows:</li> </ul>

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	<p>approach to balloting, in line with the requirements of the GLA.</p> <ul style="list-style-type: none"> <li>○ Establishing a communications plan outline for all schemes in development.</li> </ul> <ul style="list-style-type: none"> <li>● The overall aim is for residents to be engaged in the process from initial feasibility to letting new homes as well as raising awareness of the council’s new build programme amongst residents in the borough. To facilitate this there will be additional communication resources for the new build team as part of the ‘turbo-charging’ of the team. We are also exploring community co-design as a way of fully including residents in the co-design of schemes. We are looking at ways in which we can engage harder to reach residents so we hear from as many residents as possible.</li> <li>● The majority of the council’s programme is on its estates and we need to ensure that new build schemes are a means to ensuring wider estate improvements that benefit existing tenants and residents. Working closely with our colleagues in Housing Property Services, Homes and Communities and Communications, we will work together to ensure that we address wider issues on estates such as anti-social behaviour, design issues and repairs.</li> </ul>	<ul style="list-style-type: none"> <li>○ ‘Virtual’ face-to-face consultation e.g. via Zoom or alternative digital platform suitable for resident participation and engagement</li> <li>○ Via paper and/or phone for all residents and not just those without internet access/digitally able</li> <li>○ Via printed materials displayed at a communal area on an estate for residents to view safely in their own time</li> <li>○ Accessibly – providing flexibility to ensure all residents have reasonable opportunity to have their say, whether they are online or not</li> <li>○ Worked with colleagues in Planning, who have already undertaken large events via platforms such as Zoom for planning committee meetings, to understand some of the challenges this new way of working has</li> </ul> <ul style="list-style-type: none"> <li>● The first round of virtual consultations is due in the autumn and the effectiveness of this kind of consultation will be continuously reviewed to ensure all residents voices are being heard and listened to.</li> </ul>
<p><b>Recommendation 2</b> - Islington Council should work with other local authorities to lobby for relaxed restrictions on the use</p>	<ul style="list-style-type: none"> <li>● The council has lobbied MHCLG individually and as part of the North Sub-Regional Group of Local Authorities and via the North London Directors Group. Lobbying was also</li> </ul>	<ul style="list-style-type: none"> <li>● Following the relaxation of the HRA borrowing rules whereby councils were no longer required to keep their debt within pre-determined limits, the council swapped the vast majority of its private sale homes to homes for social rent</li> </ul>

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<p>of Right to Buy receipts and HRA borrowing.</p>	<p>undertaken via London Councils and the Local Government Association. The Lead Member for Housing has also raised this issue with the Deputy Mayor for Housing at the GLA.</p> <ul style="list-style-type: none"> <li>• Lobbying from Local Authorities appears to have paid off. In May 2018 the GLA released a new prospectus, solely for developing Local Authorities. The Building Council Homes for Londoners programme is dedicated to supporting councils to increase their capacity to deliver new-build programmes in recognition of the key role Local Authorities will play as providers of new genuinely affordable housing. As well as offering grant rates well in excess of that available to Housing Associations, the GLA’s Right to Buy Ring-fence Offer enables council’s with unspent RTB receipts to effectively bank them with the GLA rather than lose them to Government. Islington has opted into that Offer and already saved £7m in unspent RTB receipts which would have been lost and is now available for the council to bid for via the GLAs online bidding system.</li> <li>• An addendum to the Building Council Homes for Londoners programme was published in July 2018 and sets out how councils can bid for £500 million additional Housing Revenue Account (HRA) borrowing. Unlike grant funding, the council is able to use both the HRA Borrowing funding and RTB receipts funding together. The deadline for applications is 30th</li> </ul>	<p>(please note, therefore it was not necessary for the council to access HRA borrowing funding via the GLA). This meant a further 131 new homes developed by the NBT would be available for local residents in need of genuinely affordable housing.</p> <ul style="list-style-type: none"> <li>• The council can access RTB 1-4-1 receipt funding from the GLA rather than the MCHLG which provides a higher level of subsidy for the new build programme than the traditional grant funding. This has provided an extra £7m of subsidy into the programme that has helped maintain the level of new social rented housing delivery following increasing costs in the construction sector due to Brexit and subsequently Covid.</li> <li>• However, despite the difference in administration of RTB 1-4-1 receipts, the key principles of the funding remain the same, namely: <ul style="list-style-type: none"> <li>○ Funding only provides 30% of the cost of constructing a new social rent home</li> <li>○ Funding cannot be used with any other form of grant funding</li> <li>○ Funding is provided on a 3yr cycle whereby if it is not used it must be returned to central Govt. or punitive levels of interest are applied.</li> </ul> </li> <li>• The council continues to lobby for relaxation of these key principles which affect its ability to maximise the supply of genuinely affordable housing. In the last 18 months the NBT has: <ul style="list-style-type: none"> <li>○ Continued to lobby the MHCLG to ease restrictions through the North London Directors Group, London Councils and Local Government Association</li> <li>○ In partnership with other LAs, lobbying via The Housing Forum and Futures for London</li> <li>○ Raised the impact of the restrictions consistently with the GLA at quarterly meetings and at senior director level</li> </ul> </li> </ul>

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	<p>September 2018 and Islington fully expects to take advantage of this funding stream.</p> <ul style="list-style-type: none"> <li>• However, there are still restrictions around cross subsidy between funding streams and a maximum of 30% of the construction cost of a social rent home which affects the council's ability to maximise genuinely affordable housing development. The council will continue to lobby vigorously to ease these restrictions as set out in the draft Housing Development Strategy.</li> </ul>	
<p><b>Recommendation 3</b> - Islington Council should consider how it can support or incentivise housing associations to deliver a greater amount of new affordable housing on development sites, especially smaller housing associations that have surpluses and work in the borough.</p>	<ul style="list-style-type: none"> <li>• RTB receipts have been available to housing associations for several years now, however, the only social housing provider that has applied for RTB receipts is the City of London. The GLA has confirmed that RTB receipts held as part of the Ring-fence offer can be offered to housing associations.</li> <li>• The 19th June Breakfast with the Leader Session on 19th June was attended by 10 of the leading developing registered providers (RP's), including, Peabody, Hyde, Islington and Shoreditch, Newlon and Guinness; the aim of the meeting was to encourage the RP's to build more social housing in the borough. As well as reiterating the council's affordable housing priorities, associations were reminded that RTB receipts are available and the council is keen to utilise those receipts to increase the supply of genuinely affordable homes in the borough. A follow up meeting has been arranged in September 2018.</li> </ul>	<ul style="list-style-type: none"> <li>• RTB receipts continue to be available for RP partners to increase the supply of genuinely affordable homes. However, due to the council's own new build programme utilising these receipts their availability is significantly reduced. There has been some take up by other social housing providers. For example, the council has worked closely with the City of London on their Richard Cloudesley School site and has made available up to £7m of RTB receipt funding toward the provision of 66 homes for social rent.</li> <li>• The borough site finder exercise has been completed. As large and medium sized sites are brought forward into the programme, the NBT will ascertain whether there is any RP stock either adjacent or in the direct vicinity of any new development proposals. Should that be the case, the NBT will engage with the RP to establish whether there are any joint development opportunities between the two sites.</li> <li>• The borough site finder has also identified smaller potential development sites. Though the majority of are on the council's housing estates and therefore not appropriate to dispose of to another social landlord, there are a small number on the edge of estates or not on estates where this</li> </ul>

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	<ul style="list-style-type: none"> <li>• Within the draft Local Plan there is a stronger requirement for developers to bring a registered provider ('RP') on board early in the development process to ensure the correct mix of tenures and sizes of homes. It is crucial RPs are brought in early as possible as on many occasions developers wait till they have planning permission before engaging housing associations and the affordable housing offer may not be in line with the borough's priorities regarding suitability and quality of affordable housing. It is worth noting that the majority of the borough's affordable housing is delivered as a result of requirements of S106 agreements relating to residential development schemes whereby housing associations are presented with the % of affordable housing on the scheme rather than having any involvement in viability negotiations themselves.</li> <li>• The borough has commissioned an exercise to look at potential development opportunities across the borough. Part of this exercise will involve ascertaining what surrounds these development opportunities. Any opportunities to work with adjacent housing association's estates to maximise genuinely affordable housing supply will be pursued.</li> <li>• The council has worked with Barnsbury HA and Keniston HA to bring forward small sites using a larger housing association development partner and will continue to support smaller housing associations who</li> </ul>	<p>might be appropriate. A paper was taken to the New Homes Board agreeing to identify where these sites were and to report back on whether it may be appropriate to dispose to an RP (Appendix 2). The NBT continues to communicate with the boroughs smaller, local RPs such as Barnsbury and ISHA to make sure they are aware of the status of these sites.</p> <ul style="list-style-type: none"> <li>• The draft Local Plan still seeks pro-active engagement with registered providers ideally at pre-application stage to ensure the correct quality and mix of affordable homes are provided.</li> </ul>

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	<p>have ambitions to increase the number of genuinely affordable homes within their property portfolio through new development.</p>	

## 4. Implications

### 4.1 Financial Implications

Recommendation 1: The new communications officer post (0.5 FTE) is included in the HRA budget at a cost of £25k

Recommendation 2: The abolition of the borrowing cap enabled the Council to extend its borrowing & facilitate the swap of 131 for sale properties to social rented properties.

The introduction of the GLA RTB receipt ring fence extended the time the Council has to use its RTB receipts from 3 years to 6 years as such this allowed the Council to swap GLA grant, which provides a lower rate of funding, for GLA RTB ring fenced receipts leveraging in an additional £7m.

Recommendation 3: The Council currently has a very healthy pool of RTB receipts available, which allowed us to make available £7m to the City of London to support the provision of 66 social rented units. However, time restrictions on the use of receipts and our own ambitious future new build plans mean it is very unlikely that we will continue to have a surplus RTB receipt capacity to support other providers.

#### 4.2 **Legal Implications**

The council is under a duty to have due regard to the need to achieve the goals identified in paragraphs (a) to (c) of s149(1) of the Equality Act:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The council is also under a duty to make reasonable adjustments to the delivery of its housing services to ensure that disabled and vulnerable people can use the services and can communicate and engage with the Homes and Communities division.

Consideration of the council's equalities responsibilities is evidenced in the responses to the recommendations made by the Housing Scrutiny Committee.

There are no specific legal implications arising out of this report. Legal advice and support is provided as necessary in relation to housing new build schemes including in respect of the use of rtb receipts and the making of such receipts available to other social housing providers for the provision of social housing in Islington

#### 4.3 **Environmental Implications**

There are no significant environmental implications related to the recommendations outlined in this report, although making information for residents available in a variety of formats, as well as on-line, may involve the printing of leaflets

#### 4.4 **Resident Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment (RIA) has not been completed at this stage. Where the proposals in the report may have equalities implications for residents, RIAs will be undertaken. For example, an RIA would be completed as part of consideration of moving more services on-line.

**Appendices:** Appendix 1 – New Build Resident Consultation Paper for New Homes Board (June 2020)  
Appendix 2 – Small Sites Delivery Options Paper for New Homes Board (March 2020)

**Background papers:** N/A

**Final report clearance:**

**Signed by:**

**Executive Member for Housing and Development**

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