

Housing Scrutiny Committee

Major Scrutiny Review 2023/24:

New Build Homes

Introduction and overview



Housing need in Islington

- There is a housing crisis with a desperate shortage of genuinely affordable homes
- Over 15,700* registered on Islington's housing waiting list
- Just under 3,000 Islington households in overcrowded accommodation of which over 500 are severely overcrowded households
- Homelessness is on the rise and temporary accommodation availability is declining
- 146 applicants on the housing register needing wheelchair accessible accommodation

* August 2023 figure



New Build Programme Introduction

‘A safe place to call home’ is one of the council’s five missions that will create a more equal future for Islington by 2030

In 2008 Islington Council became one of the first local authorities to start building new council housing again for 25 years. A period through which it had been forced sell off housing stock through the Right To Buy scheme.

“A RAY of hope was offered to thousands of families lodged in Islington’s chronic housing crisis when works to build the first council homes in Islington for 25 years started this week.”

“Islington is one of the first councils in London to start building council homes again and if the £10million pilot is a success more are in the pipeline.”

Islington Tribune – 8 August 2008

Islington context

- At just under 6 square miles, Islington is one of the smallest and most densely populated boroughs in London
- Much of the borough is already built up, resulting in a scarcity of land for new housing
- The lack of land supply and high property values in Islington has driven the council to look for opportunities to build new homes on land it already owns. Most of the completed and under construction new housing projects consist of building new homes alongside existing homes on council-owned estates
- These ‘infill’ projects are often on constrained sites that require carefully considered design and well managed construction. This tends to result in higher construction and development costs.



Top: new homes on Dover Court Estate
Bottom: new homes on Brunswick Close Estate

- With every project, we aim to:
 - ✓ Build as many new council homes as we can
 - ✓ Improve as communal areas, facilities and landscaping
 - ✓ Make sure the new homes and any improvements we make to an estate meet residents' needs
 - ✓ Ensure that when work takes place, it disrupts residents as little as possible
 - ✓ Get the best value for money that we can for our budget
 - ✓ Ensure our proposals prioritise a mix of homes more closely aligned with housing need, including larger family homes, accessible homes and specialist supported housing
- Our local lettings policy gives local residents priority for the new council homes we build, particularly those living in homes that don't meet their current needs. This releases existing homes that are then re-let to meet the needs of other Islington residents

Design and construction quality

- Our aspiration is to achieve higher standards for housing design and build quality. We want to be at the forefront of building safe, secure, high quality, maintainable, energy efficient new homes that our residents are proud to live in
- Our approach is bespoke to each individual site but pinned to a core set of principles to achieve a consistently high level of quality and performance
- Our new homes are designed to be tenure blind, with no visible difference in the appearance and common areas of buildings of different tenure
- Our own contractor framework provides us with access to the right contractors to deliver the quality homes and to manage the construction impacts on local residents



Additional benefits

- As well as providing high quality homes, the new homes programme has delivered investment in our estates with new or improved landscaping and security, community facilities and affordable workspaces - making sure the benefits of our new housing projects are felt by both existing and new residents and the wider community
- The council has worked successfully with our contractors to maximise the training and employment opportunities for residents arising from our housing development projects



Resident engagement

- Our schemes involve a significant amount of engagement with local residents, through a variety of different ways to ensure all residents have an opportunity to get involved and have their say
- We are committed to involving residents from very early stages, encouraging them to provide their lived experience about their home and estate. Their feedback helps us to design schemes that can address housing need, tackle anti-social behaviour and upgrade or provide new facilities for the community

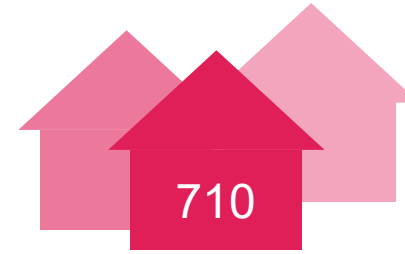
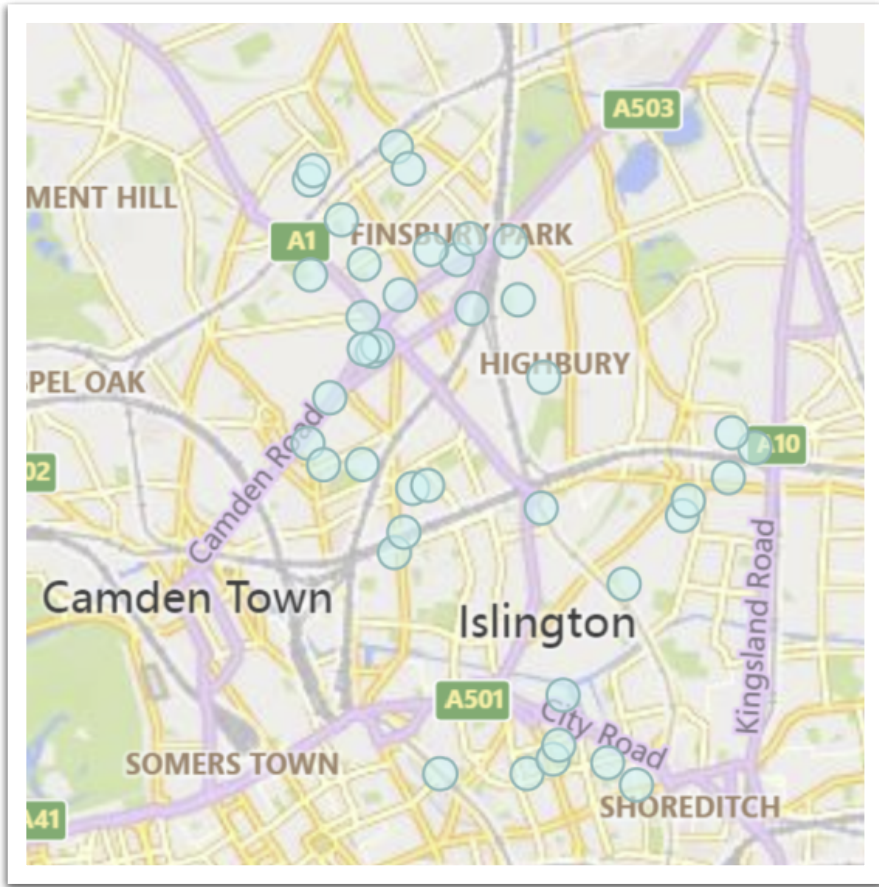


Housing delivery

- Between 2009 and the end of August 2023, 580 new high quality, genuinely affordable council homes were built.
- New specialist supported accommodation was also provided, enabling Islington residents to live in their communities rather than outside the borough and to receive the best care and support possible.
- Development has taken place at more than 40 locations in 17 wards and housing over 2,500 Islington residents
- The council have also built 28 shared ownership, and 102 outright sale homes in that period, receipts from these homes helping to pay for the new affordable housing and other associated estate and social infrastructure improvements



New Build delivery statistics



580 new council homes completed, including 49 supported housing dwellings

102 outright market sale homes and 28 shared ownership

523 x 1 & 2 bedroom homes

147 x 3+ bedroom homes

40 x Single person homes

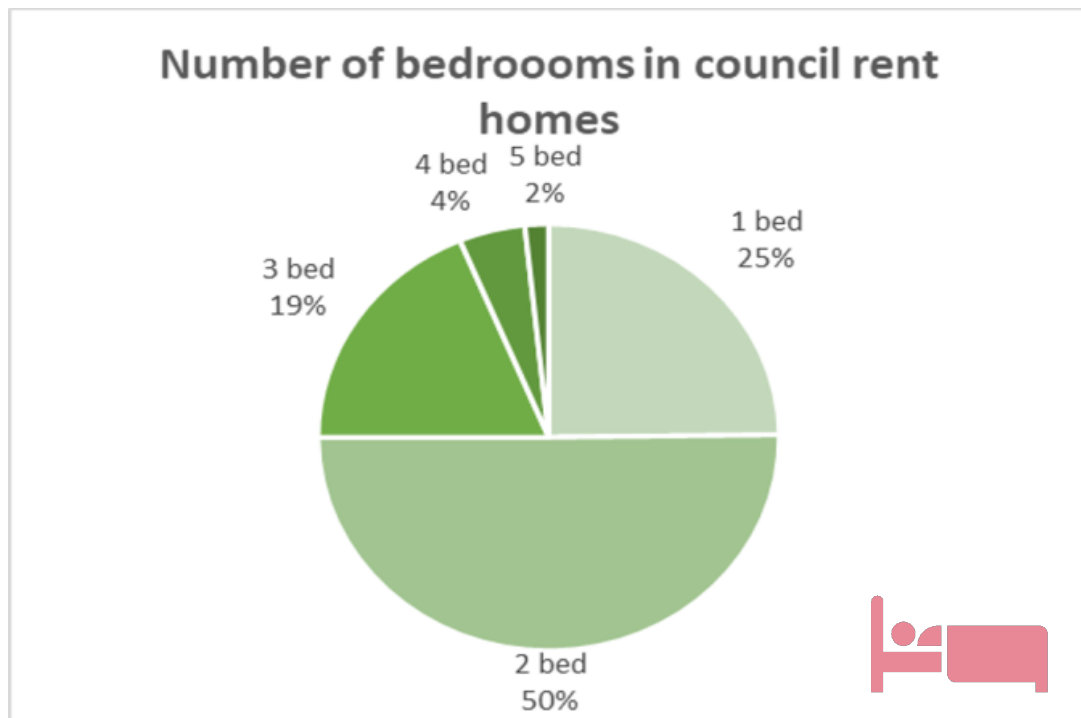
 67 of these homes designed for wheelchair users

229 x new homes are currently under construction which will deliver an additional 185 new council homes

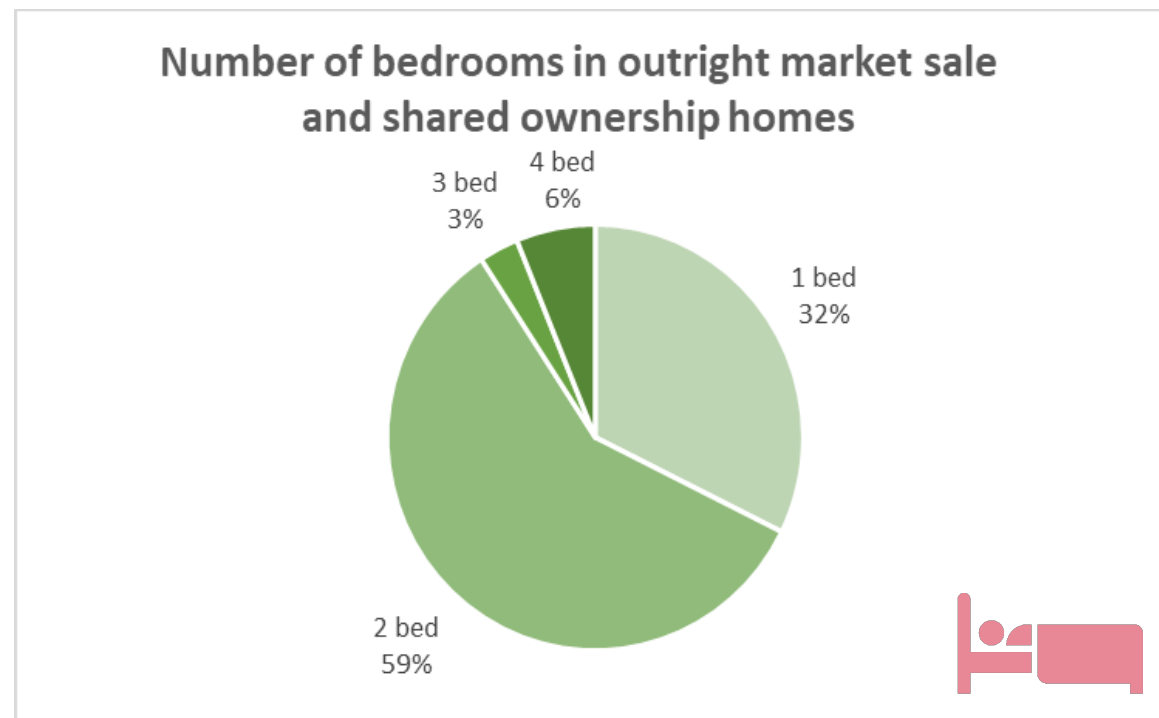
* Note that the figures shown relate to the period Jan 2009 to Aug 2023

New Build delivery statistics continued

Over 2,000 people housed in new council rent homes



457 people housed in market sale and shared ownership homes



* Note that the figures shown relate to the period Jan 2009 to August 2023

How the New Build Programme is financed

Funding

- Rental income from the new council rent homes
 - Prudential borrowing from the Public Works Loan Board (lower than Bank of England interest rate but still affected by rate changes)
 - Open market sales
 - Right to Buy (RTB) receipts / GLA grant funding
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- Borrowing is paid back over 30 years using rental income from new council homes
 - The New Build Programme is designed to be self-funded. The income received (RTB receipts/GLA grant, market sales receipts, and rent) aims to cover the capital costs and the cost of borrowing over 30 years.

Finsbury Leisure Centre and Vorley Road – schemes in progress

The council has a target to start the construction of 750 new council homes between 2023-2027. Proposed schemes at Finsbury Leisure Centre and Vorley Road will contribute to meeting this target



- 200 new homes, 50% council rent meeting Passivhaus standards
- New leisure and medial centres
- New public realm, play and landscaping



- c70 new homes, 50% council rent
- New medical centre and library
- Council's first Passivhaus scheme
- Improvements to Girdlestone Park

New Build – challenges / risks

- Current wider economic climate presents significant viability pressures and considerable risks:
 - High inflation
 - Interest rate rises leading to higher borrowing rates for councils
 - Construction costs at a 40-year high and unlikely to fall
 - Flatlining sales values and increased mortgage rates
- Delivery has become increasingly challenging and many public and private sector housing developers have either paused, slowed, or radically altered their delivery programmes, resulting in fewer affordable homes being built, particularly in London.
- Work is underway to mitigate these challenges

More than half of English housing associations reduce forecast development plans

NEWS 02.03.23 2.30 PM BY PETER APPS

A quarter of councils plan to halt development programmes altogether, warns CIH

NEWS 12.06.23 7.00 AM BY GRAINNE CUFFE

Housing slump to cause construction contraction in 2023

11 SEP 2023 | BY CHARLOTTE BANKS

Outline of topics for discussion at future meetings

- Consultation and engagement methods and communications
- Partnership working activities and opportunities
- Measures in place to meet the current and potential future economic challenges
- Lobbying activities to increase financial support and access to potential sites for development
- How other Local Authorities are meeting the current economic challenges
- Compare performance with other LA housebuilders to measure performance
- Innovative practices, including modular, build-overs, garage conversions
- Estate transformation opportunities to increase new housing supply and address issues in existing housing stock

Comments / questions?