



City of Westminster

Committee Report

Meeting:	Housing, Finance and Customer Services Policy and Scrutiny Committee
Date	6 th March 2017
Classification:	General Release
Title:	Housing Regeneration - Review of progress
Report of :	Barbara Brownlee – Director of Housing and Regeneration
Wards Involved:	All
Policy Context:	Housing Strategy
Financial Summary:	The report is for information only there are no financial implications
Report Author and Contact Details:	Barbara Brownlee bbrownlee@westminster.gov.uk 07506001387

1. Executive Summary

1.1 The Housing Renewal Strategy launched in 2010 has the following priorities

- To increase the supply and quality of affordable homes to meet a variety of local needs, including housing for families
 - To improve the quality of the local environment with outstanding green and open spaces and housing that promotes low energy consumption and environmental sustainability
 - To promote a high quality of life for people of all ages and backgrounds, in safe, cohesive and healthy neighbourhoods, supported by a range of high quality housing and excellent community facilities
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- To enable people to maximise economic opportunity in Westminster with support for training, employment and enterprise, and housing tenures which help those in work to remain in the City
 - To create a more distinct sense of neighbourhood, ending the physical divide between Westminster's estates and surrounding local streets
- 1.2 The Housing Renewal Strategy has as its central focus improving the quality of life for residents. It is delivered in collaboration with residents and seeks to improve life chances across health, economic activity and social inclusion.

2.0 Matters for the committee to consider

The Policy and Scrutiny committee is asked to:

- 2.1 Note the programme of housing renewal and the commitment to supporting residents through the process of change
 - 2.2 Reflect on learning from Church Street regeneration which may assist in subsequent regeneration schemes
 - 2.3 Give their view on what issues should be considered when forming plans to increase housing supply in and out of the borough.
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2. Housing Renewal - Church Street



1 Church Street Map

- 3.1 The regeneration of Church Street is a long term, complex task; prior to the resident vote, a vision for how the ward could evolve was created in consultation with residents and other stakeholders. Expectations were raised about swift progress on the transformation of the neighbourhood. Moving into delivery mode proved more challenging and this has led to some frustration and concern amongst residents. The regeneration team have sought to address this through being open and accessible to residents and their representatives, ensuring there is a regular flow of information through newsletters, and participation in local events.
- 3.2 Over the last 18 months, considerable efforts have been made to: learning that address the delays
- Identify and remove obstacles to progress, including providing additional resources to deliver the programme and try to set out a more logical plan
 - Complete projects that had stalled (for example the 3 demonstration flats in Orchardson Street and the Face Forward arts project)
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- Pause projects that were being developed out of sequence (for example the design for Church Street East or the District Energy scheme).
- Develop and deliver a programme of complementary socio-economic projects (see details below)
- Reallocate sites where the proposed use was no longer needed (for example nursery at Orange Park, where the site is now part of the infill homes programme)
- Get to grips with complex projects including Lisson Arches, Luton Street, Cosway Street and Lilestone Street (details on each scheme given below)
- Refresh the community engagement approach and membership of the Futures Steering Group, including appointing a new chair
- Update the strategy set out at the time of the vote through a master planning exercise focused on how changes can be made
- Develop an outcomes framework, setting out what is being achieved and evaluating progress, helping to guide investment decisions
- Bring in new ideas and partners to stimulate activity (see updates below on Church Street lettings, Edgware Road and Housing Zone)

3.3 **Lisson Arches** - The site has a number of strategically important services, gas, water, electricity and telecommunications running through it, the bridge that carries Lisson Grove over the former railway line is in poor condition and the site is very tightly constrained adding to the difficulty of planning then implementing the works. However at the time of the vote proposals, this was identified as an early delivery site and so the utilities issues have become emblematic of wider delays. Added to this, residents in the sheltered accommodation at Penn House, who were told they would be moved into new flats in the scheme, have seen a lack of progress. Their current properties are having decoration work carried out to make them more habitable during the construction works.

3.4 **Luton Street** – This is another important project, again needing significant preparatory works, including building a new nursery and relocating some market facilities. The process to procure a development partner was complex. Following this, a dialogue with residents to develop the design then allowing completion of the development agreement. The agreement is due to be signed in January and a planning application submitted in late spring. As part of the project, £2.4M will be spent on six blocks adjacent to the development on improvements agreed with residents.

3.5 **Tresham Nursery** – This was completed on time using a modular construction system this building now houses two nurseries moved from the Luton Street site and a church moved from Dudley House, temporarily when the space will be used for a nursery or similar provision.

- 3.6 **Cosway Street** - The original proposal for this site was a private for sale scheme that led to developer interest. This resulted in a potential developer approaching the council with a proposal that needed to be explored in detail, delaying progress. As that proved unviable, the scheme is now back on track and a design team has been appointed.
- 3.7 **Lilestone Street** - Central to the transformation of the neighbourhood is improving the health of residents; Church Street is not a healthy place to live. Analysis of City wide public health spending demonstrates significantly higher costs in the area compared to the Westminster average. A pivotal project is creating a Community Health and Well Being Hub. This had been planned for a site at the corner of Lisson Grove and Lilestone Street to include a reprovided health centre (moved from Gateforth Street) and community facilities including a community café to provide advice on healthy eating, complementary therapies and counselling. This site will be vacated when the flats at Lisson Arches are completed and Penn House is decanted. Linked to this is the Lisson Grove/Frampton Street office site, which will be redeveloped for housing maximising the benefit of the canal side location. Discussions are taking place with Sanctuary Housing Association owner of the adjacent estate to see if a joint development would be possible and desirable, adding value to the neighbourhood.
- 3.8 **Masterplan** - The masterplan is building on the Futures Plan and subsequently. It has as its focus ensuring an aspirational and deliverable set of proposals. This includes phasing of works, managing construction processes and protecting the welfare and amenity of residents. It has linked to a detailed review of all the housing stock in the ward to understand its condition, the desirability of the accommodation and where appropriate opportunities for investment exist. A draft will be produced in late March that utilises information gathered from resident representatives, members and stakeholders and then a public engagement exercise will take place in Spring/Summer 2017.



2 Publicity for the Arts Fund

- 3.9 **Socio-economic projects** - Throughout the development of the Futures Plan and since, a number of complementary projects focusing on the local economy, health and wellbeing and cultural activities have been developed. Progress on these is detailed below:
- 3.9.1 **Arts Fund** – This funding scheme is designed to create a programme of creative activities open to local people of all ages and backgrounds. Examples of creative activities funded so far are theatre, film and photography, visual art, creative

writing, crafts. All activities must benefit the local Church Street ward or ward residents.

- 3.9.2 Green Spine – Design work for the first phases of a new green space, running from Lisson Street along Salisbury Street and through the new Luton Street development, is well advanced. This has attracted positive feedback from stakeholders. Detailed design development is now underway and there will be further opportunities for stakeholders to be involved in design and use of the space.
- 3.9.3 Community engagement – The contract with Vital Regeneration to provide support to the residents steering group and other engagement activities ended in January 2017 and a revised community engagement service is now being delivered by the regeneration team from our office at 99 Church Street. Work is taking place to transition the existing resident steering group to a new structure to ensure there is capacity to engage the communities of Church Street more fully on the range of projects that will be delivered in the coming years.
- 3.9.4 Neighbourhood Keepers – This is a crucial aspect of the promises made in the Vote Booklet and after a false start in 2015/16 a revised model is being developed that enables specific initiatives to be developed, the focus is on animating public spaces, community gardening and promoting lifestyles that are more active. The previous approach involved a third party organisation taking a management role in the project. However a decision has now been taken to bring this in house and operate a commissioning model, focusing the funding (from the Church Street Dowry) on smaller projects to allow a phase of testing and refining requirements. This will increase the local ownership and control of the programme, focusing it on meeting the evolving needs of Church, the communities who live there and the business that operate there.
- 3.9.5 Community Champions – These local people volunteer their time to connect friends, families and neighbours with local services, spreading important messages about health and wellbeing. The time and energy the Champions give is appreciated and repaid through access to training, support and guidance to help them progress their own careers and goals. The local insight and knowledge of Champions influences and shapes how local services are delivered. The Council and other housing providers fund the programme, which works alongside other community initiatives in Church Street.
- 3.9.6 Business engagement – The business community in Church Street is diverse, international architects and galleries to market traders, multi-generational family firms to new start-ups. We developing links that focus on what Church Street can and should be, moving away from discussing business as usual issues around parking, rents and cleaning. The team are backing initiatives to stimulate footfall and widen the appeal of Church Street, such as a music event linked to London Jazz Week and performances at the Cockpit Theatre. They are also working with partners such as the GLA to develop proposals for co-working space. The scheme at Lisson Arches will provide an enterprise space
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3.9.7 Employment coaches – Two highly skilled coaches are working with people in Church Street who find it difficult to become economically active. This requires careful work with individuals to understand their specific needs and help them to address them. They work alongside other services in the neighbourhood to support tailored to individual needs.

3.10 As the above work has been progressing, interest in the area has been expressed by developers and others and officers continue these conversations to ensure there is a good level of interest in development opportunities. Church Street Ward is now part of the Edgware Road Housing Zone, along with areas of Little Venice Ward (identified on the plan below). This secures £25.5million in GLA funding to support enabling works at Lisson Arches and leaseholder buybacks across the area. Final terms are being agreed with GLA at present.



3 Edgware Road Housing Zone

3.11 Timetable

The table below gives some indicative milestones for Church Street. Due to the nature and complexity of the development programme, these always have a risk of change.

Spring 2017	<ul style="list-style-type: none">• Luton Street – planning submission• Masterplan - Consultation• Neighbourhood Keepers - projects commence• Green Spine – planning submission
Summer/Autumn 2017	<ul style="list-style-type: none">• Cosway Street – planning submission
Winter 2017/2018	<ul style="list-style-type: none">• Lisson Arches - new build commences• Luton Street - start on site• Green Spine - start on site• Ashbridge Street– planning submission
2018	<ul style="list-style-type: none">• Cosway Street – start on site• Lilestone Street – planning submission
2019	<ul style="list-style-type: none">• Lisson Arches – completion (Spring)• Lilestone Street – start on site• Ashbridge Street – start on site• Cosway Street – completion
2020	<ul style="list-style-type: none">• Ashbridge Street – completion

4. Housing Renewal - Ebury Bridge

4.1 Ebury Bridge has proved to be a complex and challenging project. It is one of the most valuable locations in the Council’s ownership, adjacent to Chelsea Barracks and the new Sir Simon Milton UTC.



4 Aerial view of Ebury Bridge Estate

- 4.2 After residents voted for regeneration the Council's architects prepared and secured planning for a scheme that met the residents' wishes for the site including refurbishment of 5 blocks funded from the development surpluses made by demolishing and rebuilding to a higher density 8 blocks (including properties that needed to be acquired from Soho Housing).
- 4.3 Work began with residents at Ebury Bridge in 2010 following launch of the Housing Renewal Strategy, this led to a vote for regeneration in 2013, then a planning application was approved in June 2014. In 2015, the project was soft market tested with the Councils' Development Partner Panel; there was no appetite amongst panel members to implement the scheme in the form proposed.
- 4.4 Since then the Council has looked at the scheme in considerable detail with the goal of delivering the promises made to residents within a deliverable scheme. A number of options have been considered and it seems clear that the way forward involves achieving a higher density on the site. This allows greater height along the railway frontage and a more straightforward phasing of the development.
- 4.5 A series of appraisal sensitivities are now being run on different tenure mixes to develop a scheme that is both commercially viable and maximises levels of affordable housing.
- 4.6 Running in parallel to this is a new Community Engagement strategy for Ebury Bridge which goes beyond the "bricks and mortar" elements of the regeneration and focuses on building a sustainable local community. Included in this will be health and wellbeing measurements around improvements in quality of life, reductions in social deprivation and enabling better collaboration between local service providers and third sector organisations. In the meantime, resident events built around the themes of employment and health are taking place on the estate.
- 4.7 As revised development options are being progressed there is the opportunity to embed lessons learnt from the Church St regeneration programme:
- 4.7.1 Site Investigation (SI) Works:** This involves the gathering of technical information about the proposed development site to ascertain ground conditions. Experience from Lisson Arches in particular demonstrates the need to conduct rigorous investigative works to identify important utilities, such as electrical cables, that may exist and assess the level of complexity and cost that may need to be added to the build. Exploratory investigative works, such as trial pits to better understand neighbouring foundations, existing structures etc, need to take place throughout the development. Experience from other sites also points to the value of early consultation with potential development partners on how to approach SI works. Of specific relevance to Ebury Bridge is its proximity to major railway tracks and former canals.
- 4.7.2 Design of Delivery Programme:** Experience from Church St, and indeed the original Ebury Bridge scheme, reinforces the need to plan out the construction logistics before mapping out the sequence of the delivery programme.
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On Church St public realm design was carried out without consideration as to how it would be affected by future construction traffic required to serve later sites. The original Ebury Bridge scheme found limited interest from the development market partially due to the programme working into the site, rather than building out, which runs counter to the normal way of working. Soft market testing incorporating the design of the delivery programme is being undertaken on the revised Ebury Bridge scheme.

4.7.3 Resident and Community Engagement: On Church St an expectation was set around a rapid transition from the consultation phase to on site delivery. This is equally true on Ebury Bridge. This has led to understandable frustration from residents when programme timescales are not achieved. A clear learning outcome for Ebury Bridge is that whilst the resident and community voice is critical to designing the new vision, there is a need not to over promise about what can be achieved and by when. There is a need to balance community influence with realism on deliverability. Bringing forward revised development options on Ebury Bridge will be supported by a community engagement partner who is tasked with communicating with residents in a direct and honest way that builds trust by managing expectations.

5. Housing Renewal - Tollgate Gardens

5.1 The contract with Clarion (formerly Affinity Sutton) is now unconditional and Keepmoat, their design and build contractor is on site. Demolition has commenced, with a practical completion planned for 2019.

5.2 The scheme will provide:

- 195 new homes in total
 - Of which 86 will be affordable homes including 10 shared equity loan homes for returning leaseholders (these are now 8 Shared Ownership being delivered by Clarion and 2 social rent as no leaseholder wished to take up the equity loan offer)
 - A new larger community hall
 - Remodelling to the existing Tollgate House to create three more flats and external cladding to improve thermal efficiency
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5 Artist's impression of new development

- 5.3 The new development will ensure that there is no loss of social rented homes, there will be 27 more sub-market homes on the site when it is finished and that the quality of the homes retained within Tollgate House is improved. Planning permission for the recladding of Tollgate House has been approved; this will improve thermal efficiency, mitigate condensation risks and reduce heating bills for residents.
- 5.4 The new community centre will provide opportunities for community and social activities.

6. Infill Housing

- 6.1 A significant challenge is delivering new homes quickly and effectively, one option that is being pursued vigorously is to identify within the Council' housing assets opportunities to turn underused space into new homes for sale or rent. The types of asset being used range from basements to laundry rooms, offices and parking areas.
- 6.2 A revolving fund of £10m has been created within the HRA to enable projects to be identified, assessed and delivered. Some costs are recovered from sales of development opportunities for private development where the homes are either too small for our needs or in locations where Council ownership is low. Projects that can provide 2 bed homes or larger are developed for retention within the Council's stock at social or intermediate rents.
- 6.3 The programme delivers 26 social housing properties, creating 118 bed spaces, up to September 2018. This also includes obtaining planning permission for a further 8 units which will be disposed of in order to cross-subsidise the delivery of the new homes. Further opportunities are being progressed to ensure an on-going pipeline.
- 6.4 Programme meets its original key objectives of:
- Increasing the supply of affordable housing on HRA land
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- Optimising the value of HRA assets
 - Improving the quality of the HRA portfolio
 - Creating a better match between housing need and housing supply
- 6.5 The Infill programme provides improved homes for families, in some cases these are wheelchair accessible, reducing overcrowding.

7. Alternative Approaches to Use of Assets

- 7.1 An example of rethinking the use of assets is through the Specialist Housing Strategy for Older People site at Beachcroft, Shirland Road site is a decant site for the existing residential care home facilities located at Carlton Dene and Westmead and once Shirland Road is completed and occupied by these residents, these donor sites will be developed separately. The existing facilities at Westmead and Carlton Dene are nearing the end of their designed usable life-cycle and as a result of this are experiencing increased maintenance and general upkeep costs. The Shirland Road site contains two existing buildings and a car park and walkway for Oak Tree house, all of which will be demolished. Once Beachcroft is complete Carlton Dene and Westmead will be redeveloped to provide further specialist accommodation.
- 7.2 When the new homes are completed at Lisson Arches the residents of Penn House will move to the new flats, allowing Penn House to be demolished. The site of Penn House will be developed as new offices, allowing the council office buildings at Lisson Grove/Frampton Street to be redeveloped as new homes. This development will provide a range of tenures with a focus on intermediate homes as has been agreed with the GLA through the Housing Zone programme.

8. Context for out of borough spending

- 8.1 Among the key themes of the council's draft Housing Strategy and its subsequent Housing Direction of Travel document is that Westminster, already among the most intensively developed places in the United Kingdom, does not have the space to meet all its housing needs, and what space there is extremely expensive.
- 8.2 While the demand for housing has continued to increase the resources we have to meet it have not grown commensurately. The consequence is that meeting the housing challenge (and that of delivering affordable housing in particular) require cross-London action. These imperatives are reinforced by an evolving policy context for housing, with major changes at national and London-wide level. This context gives us the imperative and the opportunity to look at innovative approaches and partnerships to deliver more affordable housing, more quickly to complement our programme to invest £1.5 billion in new and improved homes through the HRA.
- 8.3 The growth in demand is likely to continue as Westminster's population continues to increase and factors like welfare challenges keeps demand for social and affordable housing in Westminster at a comparatively high level. There are currently 4,500 people waiting for housing (of these, 2,500 are homeless households living in temporary
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accommodation) but only 600-800 social rented homes become available for letting each year. This means that homeless households are likely spend long periods of time in temporary accommodation waiting for social housing. The estimated annual cost of this temporary accommodation is projected to rise from £4.3m in 2016/17 to £11.8m by 2020/21, a total of £33m over the period. Households waiting for family accommodation cannot expect to be allocated a home for many years; the average waiting time for 3 bedroom homes is 12.5 years and 25 years for 4 bedroom accommodation. Although we are refocusing our work to prevent homelessness in the first place, and have changed our homelessness policies to reduce dependence on temporary accommodation, need for affordable housing is likely to remain high and our ability to deliver on the scale required to meet this level of need in Westminster is constrained for the reasons given earlier.

- 8.4 National government policy – particularly proposed extension of the right to buy to be funded by required sales of high value voids and based on “two for one” replacement in London (with encouragement for replacement on a pan-London basis) and the ambitions of the Mayor to see a major increase in homebuilding in London have given boroughs greater encouragement to consider innovative, cross-boundary partnerships for expanded and accelerated delivery. London Councils has been considering a pan-London delivery vehicle and has been working with the Mayor to identify flexibilities and powers required to enable this kind of approach.
 - 8.5 The decisions to acquire homes in Hounslow for council tenants and to state publicly how we prioritise homeless households for assistance, including where we can find accommodation for them are examples of how the Council is seeking to explore new options to meet the challenges.
 - 8.6 In line with the desire to accelerate delivery new homes for households on modest incomes discussions are being held with a number of housing providers to explore where investment by Westminster in delivering homes would contribute to meeting their objectives. This could include supporting delivery of regeneration projects or unlocking stalled sites.
 - 8.7 It is important to bear in mind that housing delivered in this way will be additional to the council’s plans to deliver in-borough, through its housing renewal programme and the use of its planning powers.
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