

More and better homes

Deliverability of the ASH proposal on Central Hill

Introduction

Following the February 2016 Resident Engagement Panel (REP) meeting the Council has sort to establish a constructive dialogue with Architects for Social Housing (ASH) so their proposals for Central Hill could be considered.

The Council has now had the chance to review the ASH proposal and this report sets out a summary of the Council's findings.

Process of evaluation

The evaluation carried out by the Council is based on three key considerations:

1. The deliverability of the proposed design when assessed against basic design, structural and planning principles
2. The feasibility of delivering the proposals within the financial constraints the Council finds itself in, and;
3. The ability of Lambeth to fund the refurbishment costs for the 456 tenanted and leasehold homes on Central Hill and the value for money of this investment.

Deliverability of ASH Proposals

1. Design and Planning

The 250 'new build' homes would be subject to local planning requirements and this would require at least 40% of the new homes to be affordable.

The planning requirements set out a certain mix of property sizes (i.e. 1 beds, 2 beds, 3 beds etc.) and at present the ASH proposal provides too many 1 bed homes and not enough family sized homes.

An initial commentary given by architects, planners, building control and general views were provided to ASH on 14 April 2016 (Appendix 1) and the Council's urban designers, PRP, have further reviewed the proposals submitted by ASH and the commentary below summarises the key issues identified in the review:

- Buildings over four storeys in height will require lift access and therefore where you have buildings in excess of four storeys in the ASH proposal new lift access will need to be provided. This will have both design and cost considerations which the ASH proposal has not undertaken.

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- The location of the tall buildings is not seen as appropriate and would have a difficult relationship both with the existing Victorian buildings and the retained low-rise blocks of Central Hill.
- A minimum 10% of units are required to be wheelchair-accessible or easily adaptable for residents who are wheelchair users.
- Proposed external staircase for access to upper level roof extensions block the existing north-south public access routes and cannot be built whilst retaining the required access on the public stairs.
- The thickness of the walls as shown are not consistent and are generally insufficient to achieve compliance with Approved Building Regulations, Part L requirements. This is important as when these are corrected it will require the buildings to increase in size which will also increase the cost.
- Roof extensions and infill elements create Daylight and Sunlight issues.
- There is a concern that in order to integrate the new homes above existing homes you would need to run services through existing properties.
- There is a concern over the weight of the new homes above existing homes and whether the existing homes could take the additional load.

Without further detailed design solutions it cannot be determined whether the above issues can be resolved. However, even if resolved the physical deliverability of ASH's proposals need to be considered against 2 & 3 below.

2. Financial Feasibility

The Council undertook a financial appraisal of the ASH proposal and this is found in Appendix 3. Where available the Council has used cost information provided by ASH; where this was unavailable the Council provided the financial assumptions.

The financial appraisal for the 250 new build homes shows **a negative Net Present Value of - £6.6m**. This means that the money generated through the combined rents of the private homes and Council rent homes is insufficient to pay for the costs of building the new homes. The Council would therefore need to find additional money to make the ASH proposal achieve a break even position.

This also means that there is no additional money generated by the 250 new homes and therefore there is no money generated to pay for the refurbishment of the existing homes on Central Hill.

The Council could not therefore recommend this as a deliverable option.

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3. Investment Requirement for Central Hill

To reiterate the point above, as it is such a fundamental one, the ASH proposal does not address the issue of how to fund the costs to refurbish the 456 tenanted and leasehold homes on Central Hill.

The ASH proposal would still require the Council to find the money to refurbish the new homes from existing budgets as the ASH proposal would not generate a positive receipt.

Other Considerations

As raised in the commentary of ASH's initial proposals, there are potential issues with building over leasehold homes – all blocks have leasehold interests. Under the leases Lambeth reserves the right to build on adjacent land but does not reserve the right to alter the building in which the flats are contained. Potentially, the 'enjoyment' of other residents on the estate can be obstructed or interfered with and so they would have the right to object. The service charging and maintenance issues between Homes for Lambeth and the HRA will be complex

Conclusions

Lambeth's key priority is to build 'More and Better Homes' and so any proposal has to look at how many additional homes can be delivered – specifically affordable homes, and also how it can deliver investment to the Lambeth Homes Standard for the retained Lambeth stock.

The proposal by ASH would be challenging to deliver in light of the constraints highlighted above, in particular in building above existing homes, and the Council considers a more realistic and achievable figure would be 128 new homes.

The financial assessment of the costs given by ASH and income for the development of 250 homes shows a negative net present value of - £6.6m. As such the proposal is not feasible to be developed.

The ASH proposal will not generate any surplus money to fund the refurbishment of the existing homes and so residents will see no benefit other than the development of 250 new homes on their estate.

In light of the assessment the Council cannot recommend the ASH proposal as a deliverable option and it will **not** be considered as part of the consultation with Lambeth tenants, leaseholders and freeholders on Central Hill.

Fiona Cliffe
Capital Programme Manager
24/6/2016