

The future of the Cressingham Gardens Estate

Your chance to have your say
on the future of your estate

Issued: January 2016

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■ This booklet

Lambeth Council has been engaging with residents for several years on the future of the Cressingham Gardens estate.

This booklet provides residents with information which sets out the factors that the Council has to take into account in order to make a decision about the future of the estate, the details of the options that are proposed and how you can have your say about them.

You can have your say via a range of routes including:

- The attached feedback form
- At one of our exhibition events
- By going to <http://estateregeneration.lambeth.gov.uk/cressingham>
- Writing to **Cressingham Gardens,
FREEPOST RTLA-GHRX-SSXA,
77a Tradescant Road,
London SW8 1XJ**

■ Where are we now?

The Council began the process of consulting residents over the future of the Cressingham Gardens estate in 2012. This led to the exploration of five options, which ranged from full refurbishment to full redevelopment.

A decision was taken by Lambeth Council's Cabinet in March 2015 to reject the options which were primarily reliant on refurbishment (options 1 to 3). A second decision was taken by Lambeth Council's Cabinet in July 2015 to redevelop the entire estate (option 5).

Following a Judicial Review brought by a resident, a High Court ruling found that the process Lambeth Council followed to reach those decisions was incorrect. As a consequence of this, we are now resuming the consultation on the five options.

This will include reconvening the two workshops which did not complete their work programme – Viability and Green Retrofitting.

What is going to happen next?

Your feedback will be considered by Lambeth Council's Cabinet and they will then make a decision on how to proceed.

In summary this is how the process will run:

- Consult residents on the 5 options
- Hold sub-group meetings on the following topics:
 - Green Retrofitting
 - Viability
- Review the feedback provided on each option
- Respond to the feedback provided on each option and identify the Council's preferred option
- Present this preferred option to residents
- Present the recommended option to Lambeth Council's Cabinet along with residents' feedback
- Report back the outcome of the Cabinet decision and next steps to residents

Below is a timetable of upcoming events to support this process:

What?	When?	Where?
5 Options exhibition	20th January from 2pm to 8pm	The Rotunda
Green Retrofitting sub-group meeting	26th January at 7pm	The Rotunda
Viability sub-group meeting	28th January at 7pm	The Rotunda
Green Retrofitting sub-group meeting	16th February at 7pm	The Rotunda
Viability sub-group meeting	18th February at 7pm	The Rotunda
Options exhibition – with your feedback and the Council's recommendations	25th February from 2pm to 8pm	The Rotunda

While the Council will make every effort to adhere to this, there maybe some changes. For the most up to date information please go to: www.lambeth.gov.uk/cressingham

A reminder of Lambeth Council's responsibilities

Lambeth Council's goal is to address the housing crisis facing the Borough. This extends to the supply of additional new homes and enhancing the quality of existing social homes.

There are:

- Over **21,000** people on the waiting list for a council home
- **1,800** homeless families in temporary accommodation
- **1,300** families living in severely overcrowded homes

In October 2012, the Cabinet approved a programme to examine how its lower density and/or poorer quality estates could provide additional new homes. Cressingham Gardens was identified as one of these estates.

In 2012, the Council also agreed to progress the Lambeth Housing Standard programme – a programme to improve the quality of existing social homes in Lambeth.

In December 2014, the Cabinet formally adopted an estate regeneration programme. Cressingham Gardens was included in that programme.

On the following pages, further information is provided on:

- The Council's Housing Revenue Account and the ability of the Council to pay for refurbishment of properties
- The cost and impact of full refurbishment work, if it were to take place at Cressingham Gardens
- The Council's estate regeneration programme

Cressingham Gardens, the Housing Revenue Account and the Lambeth Housing Standards programme

What is the Housing Revenue Account?

The Housing Revenue Account (HRA) is a ring-fenced pot of money held by the Council to look after the homes it owns. All the money needed to manage, maintain and improve the Council's social housing comes from this account. Also there are strict rules set by Government, which control how the Council must manage the Housing Revenue Account, for example it is not allowed to run a deficit.

Where does the HRA get its money from?

Money comes into the HRA from Council tenant rents and service charges. In the last few years Council rents in Lambeth have been rising. However, in the summer 2015 budget, the Government announced that Council rents would be reduced by 4% over the next four years. This year on year 1% reduction, which starts in 2016, will mean £28.4 million less income by 2020. This reduction is not going to be replaced.

The HRA is also losing income because of measures such as the Government's 'High Value Empty Homes Payment' and Right to Buy.

What can the HRA pay for?

The Council can only use money in the HRA to fund:

- Managing the Council's housing and looking after its tenants;
- Maintaining, repairing and improving the Council's housing stock;
- Capital investment (e.g. major improvements or repairs); and
- Interest and loan repayments relating to amounts borrowed to fund capital expenditure on HRA properties.

Can the Council 'top up' the HRA from its other budgets and accounts?

The Council can put money into the HRA from the 'General Fund'. This is the money the Council gets in from Council tax, business rates, grants and other income. However, given cuts in Government funding, the Council needs to make £100m worth of savings over the next few years.

Can the HRA borrow money and receive grants?

The Council can apply for grants from Government or the Greater London Authority (GLA). The Council can also borrow money through the HRA.

Given the current funding situation, there is less grant funding available than in previous years. In addition, grants generally come with very strict conditions on usage.

The Government has set a limit on how much money the Council can borrow through the HRA. The difference between the current level of borrowing and this limit is known as the 'HRA headroom'. For the foreseeable future there is little room for the Council to borrow more without putting the financial viability of the HRA at risk.

How is the Lambeth Housing Standard programme funded?

In 2012 the Council agreed to bring all homes in Lambeth up to the Lambeth Housing Standard (LHS) with works to make them warm, dry and safe and include the Government Decent Homes Standard. The LHS was co-produced with residents. It was estimated that the LHS programme would cost £499m based on a sample survey. Of the £499m required, the Council estimated in 2012 that it was able to fund £431m through a combination of borrowing and grants. The programme was scheduled to take five years to complete.

The Council made a grant application to the GLA in 2010/11 for £217.5m to support the LHS programme. However, the Council was only awarded £100.5m to support the programme from 2011 to 2015. More recently the Council secured an additional grant of £23.3m from the GLA.

When LHS refurbishment work is started on homes additional work is often needed. This is because it is only when work starts on a building that its true condition becomes apparent. This additional work, of course, needs to be paid for.

As the HRA loses stock and income from Right to Buy and rent reductions, the Council must prioritise how it will deliver its commitments to residents.

What is the Estate Regeneration Programme?

Along with plans to improve its housing stock through the LHS programme, the Council is committed to building more homes in the borough. It has looked at its housing estates to see where refurbishment works would not be sufficient or would not be good value for money and where there are opportunities to build more homes.

This led to the Council's estate regeneration programme. Estates have been included in this programme based upon the following criteria:

- The costs of delivering the Lambeth Housing Standard would be too expensive and would not be good value for money
- Lambeth Housing Standard works would, in themselves, not address the fundamental condition of the homes nor address many of the wider social and economic problems faced by residents
- The wider benefits from regeneration would justify the investment. This includes locations where the existing estate is relatively low-density and where there is an opportunity to create additional much needed new homes

The following six estates were selected for consideration for regeneration:

- Cressingham Gardens
- Knights Walk
- Westbury
- Fenwick
- Central Hill
- South Lambeth

How will the Council pay for regenerating estates?

As is set out above the HRA and the LHS programme face significant challenges – there isn't enough money for the Council to build the more and better homes, which are needed in the Borough. This is where 'Homes for Lambeth' comes in.

'Homes for Lambeth' will be a 100% council-owned company, which will enable the Council to borrow from pension funds and other financial institutions and use this money to regenerate estates. Homes for Lambeth will need to pay back these loans by building more homes as it is the income that these additional homes bring in which will fund more and better homes at council level-rent.

You can find out more about Homes for Lambeth at

<http://estateregeneration.lambeth.gov.uk/hfl>

■ The options for the future of the estate

We have summarised each of the options for the future of the estate below under the following headings:

- An overview explanation
- Value for money consideration
- The number of new homes provided

Option 1 – Refurbishing existing Homes to Lambeth Housing Standard

Cressingham Gardens would be refurbished to Lambeth Housing Standard. These works would include:

- Roof replacement
- Window repairs
- Repairs to blocks
- External works
- Internal works (kitchens, bathrooms, boilers, rewiring etc.) in tenants' homes
- Common parts upgrade
- Decants
- Front doors
- Rainwater goods
- Underpinning

Value for money:

Any money spent on refurbishing homes to LHS standard on Cressingham Gardens will mean that there is less money to be spent improving other homes. This means that the Council has to make sure that any refurbishment work represents value for money.

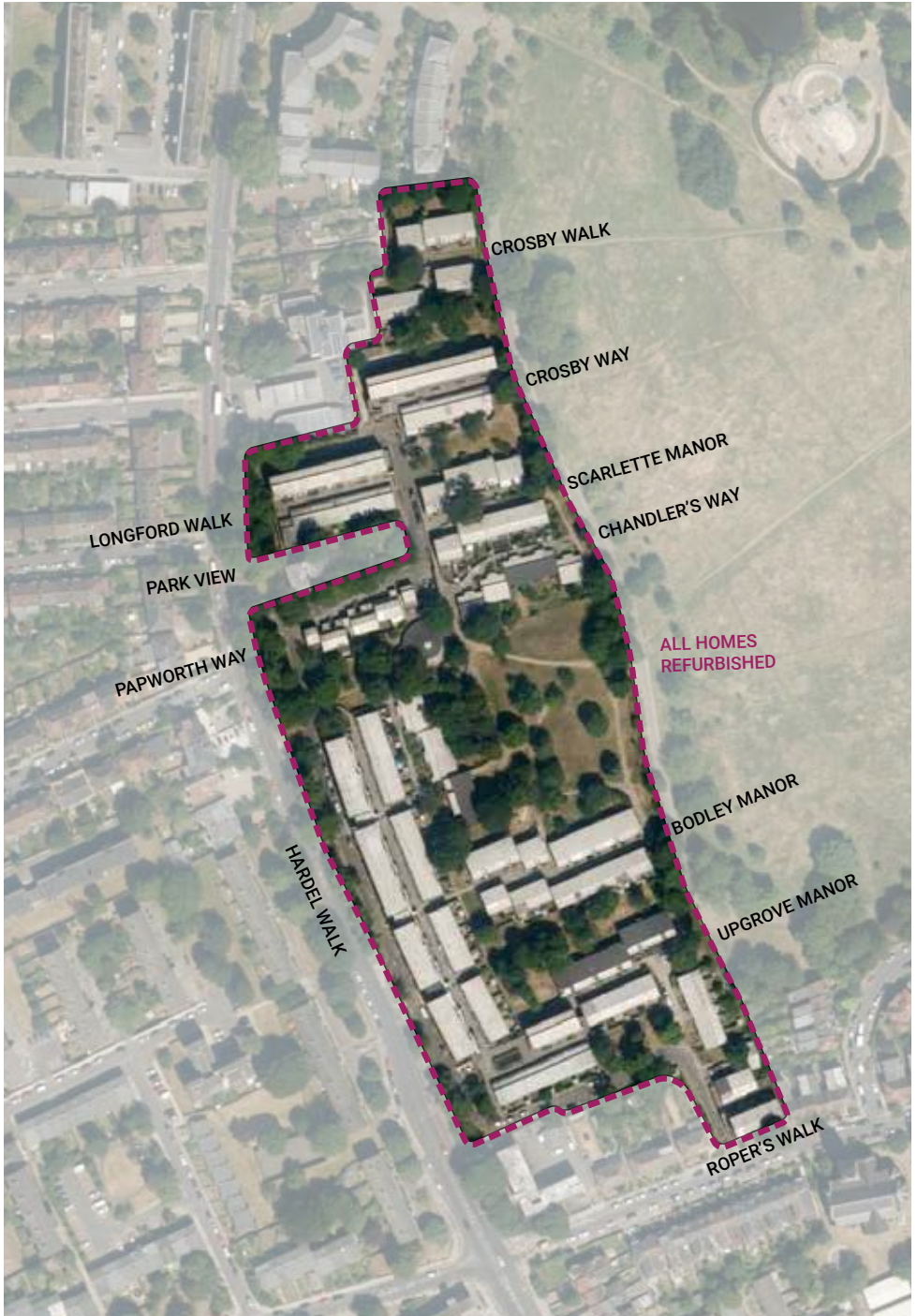
Unfortunately, the predicted cost of bringing homes on Cressingham Gardens up to LHS is disproportionately higher than the average – for every home refurbished to LHS standard on Cressingham, on average, 2 homes elsewhere in the Borough could be brought up to the same level.

We can only pay for refurbishment if money is found in the Council's Housing Revenue Account, whether from grants or re-direction of funds.

Given the limited funds available in the Council's Housing Revenue Account, the Council has to make difficult decisions regarding which estates to refurbish and which estates to redevelop.

The number of new homes provided:

There are no new homes provided.



Option 2 – Lambeth Housing Standard and new homes through infill development

This option would see 19 properties in part of Crosby Walk demolished (including 6 voids) and replaced with 38 new homes. The remaining properties would need to be refurbished under the Lambeth Housing Standard programme as per Option 1.

Value for money:

As 19 fewer homes would need to be refurbished the cost to the Housing Revenue Account would be lower. However, the vast majority of the homes would still need to be brought up to LHS standard which would have to be funded from the Housing Revenue Account.

Any money spent on refurbishing homes to LHS standard on Cressingham Gardens will mean that there is less money to be spent improving other homes. This means that the Council has to make sure that any refurbishment work represents value for money.

Unfortunately, the predicted cost of bringing homes on Cressingham Gardens up to LHS is disproportionately higher than the average – for every home refurbished to LHS standard on Cressingham, on average, 2 homes elsewhere in the Borough could be brought up to the same level.

We can only pay for refurbishment if money is found in the Council's Housing Revenue Account, whether from grants or re-direction of funds. Given the limited funds available in the Council's Housing Revenue Account, the Council has to make difficult decisions regarding which estates to refurbish and which estates to redevelop.

The new homes would be paid for by Homes for Lambeth. They would not need money from the HRA. However, these homes would need to create an income – they would need to pay for themselves.

The number of new homes provided:

38 new properties would replace the 19 which would be demolished. This means 19 new homes.

The future of the Cressingham Gardens Estate

Your chance to have your say
on the future of your estate

Feedback form to pull out and complete

Feedback form

This form can be returned free using the envelope and Freepost address provided. Alternatively, an online form can be completed at estateregeneration.lambeth.gov.uk/cressingham

Name

Email

Address

Contact no.

What is your view on refurbishment as compared to redevelopment of the estate?

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Comments on option 1:

What do you think about option 1 and the supporting information the Council has supplied?

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Comments on option 2:

What do you think about option 2 and the supporting information the Council has supplied?

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Comments on option 3:

What do you think about option 3 and the supporting information the Council has supplied?

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Comments on option 4:

What do you think about option 4 and the supporting information the Council has supplied?

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Comments on option 5:

What do you think about option 5 and the supporting information the Council has supplied?

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Additional comments?

Do you have any other comments you would like to make?

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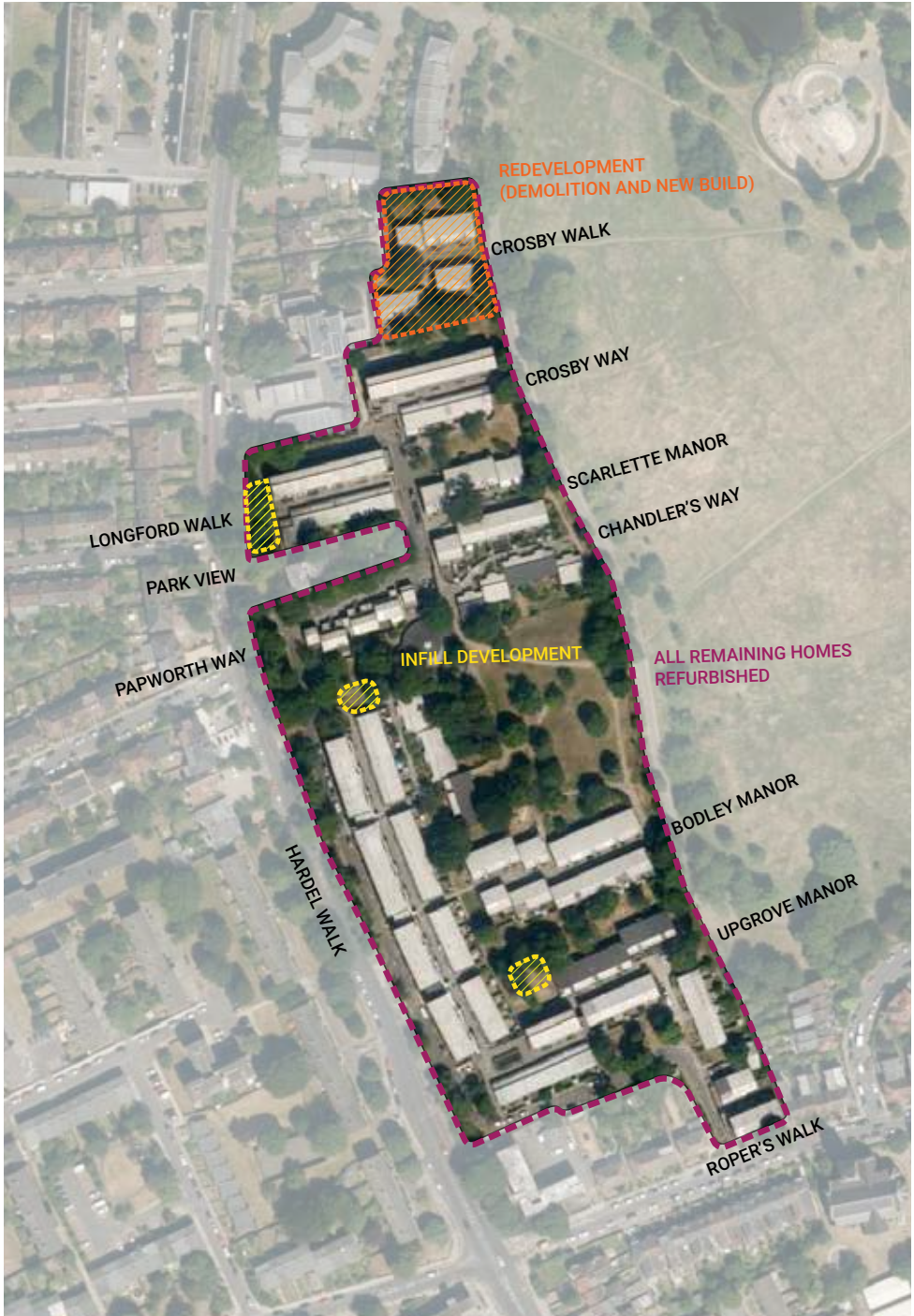
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Option 3 – Partial redevelopment (low intervention)

This option would see 31 properties at Crosby Walk and along Papworth Way demolished (including 6 voids) and replaced with 51 new homes. The remaining properties would be returned to the Lambeth Housing Standard programme as per Option 1.

Value for money

As 31 fewer homes would need to be refurbished the cost to the Housing Revenue Account would be lower. However, the vast majority of the homes would still need to be bought up to LHS standard which would have to be funded from the Housing Revenue Account.

Any money spent on refurbishing homes to LHS standard on Cressingham Gardens will mean that there is less money to be spent improving other homes. This means that the Council has to make sure that any refurbishment work represents value for money.

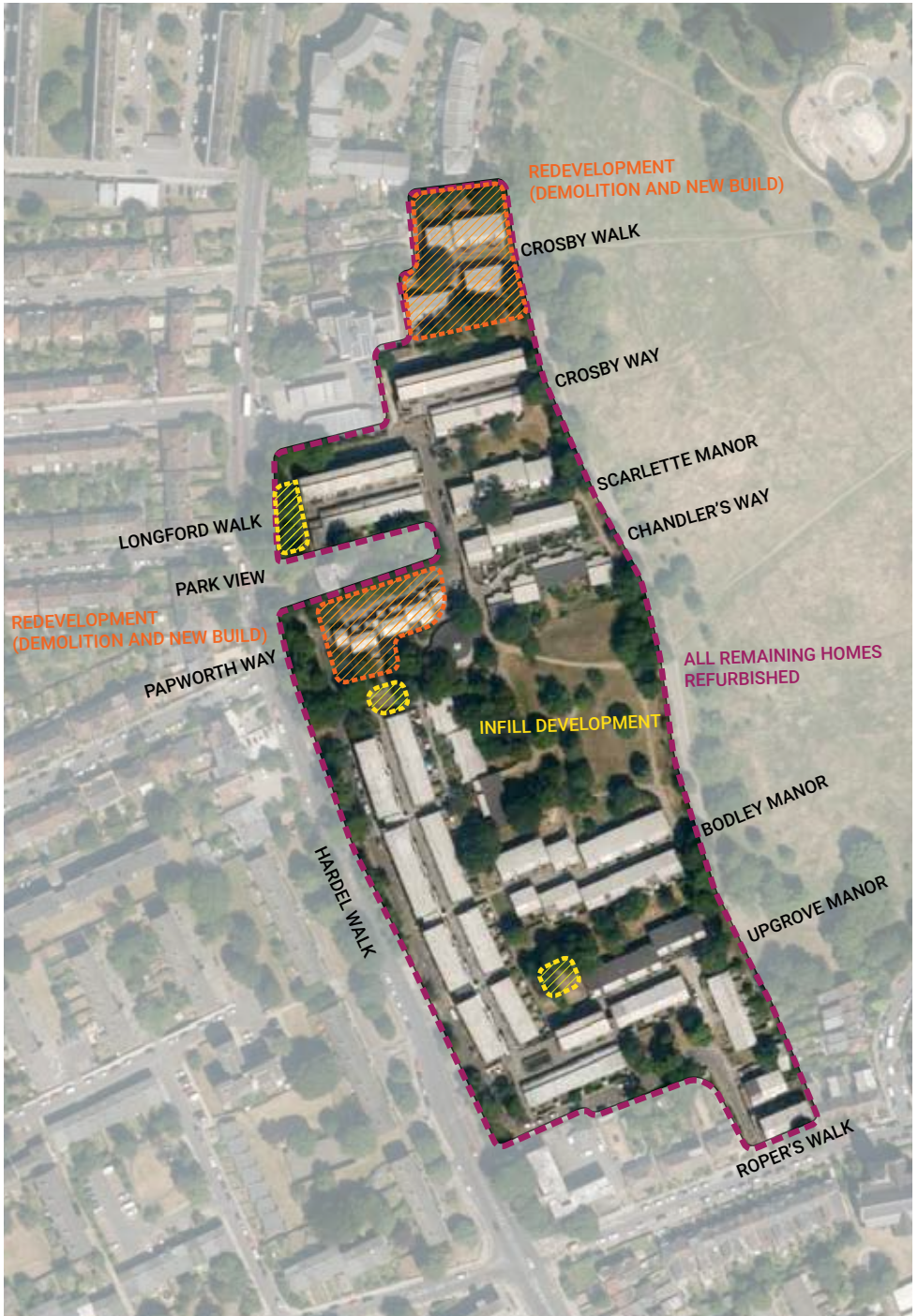
Unfortunately, the predicted cost of bringing homes on Cressingham Gardens up to LHS is disproportionately higher than the average – for every home refurbished to LHS standard on Cressingham, on average, 2 homes elsewhere in the Borough could be brought up to the same level.

We can only pay for refurbishment if money is found in the Council's Housing Revenue Account, whether from grants or re-direction of funds. Given the limited funds available in the Council's Housing Revenue Account, the Council has to make difficult decisions regarding which estates to refurbish and which estates to redevelop.

The new homes would be paid for by Homes for Lambeth. They would not need money from the HRA. However, these homes would need to create an income – they would need to pay for themselves.

The number of new homes provided:

51 new properties would replace the 31 which would be demolished. This means 20 new homes.



Option 4 – Partial redevelopment (higher intervention)

This option would see 120 properties on the northern end of the estate demolished (including 6 voids) and replaced with 193 new homes. The remaining properties would be returned to the Lambeth Housing Standard as per Option 1.

Value for money

As 120 fewer homes would need to be refurbished the cost to the Housing Revenue Account would be lower. However, the vast majority of the homes would still need to be bought up to LHS standard, which would have to be funded from the Housing Revenue Account.

Any money spent on refurbishing homes to LHS standard on Cressingham Gardens will mean that there is less money to be spent improving other homes. This means that the Council has to make sure that any refurbishment work represents value for money.

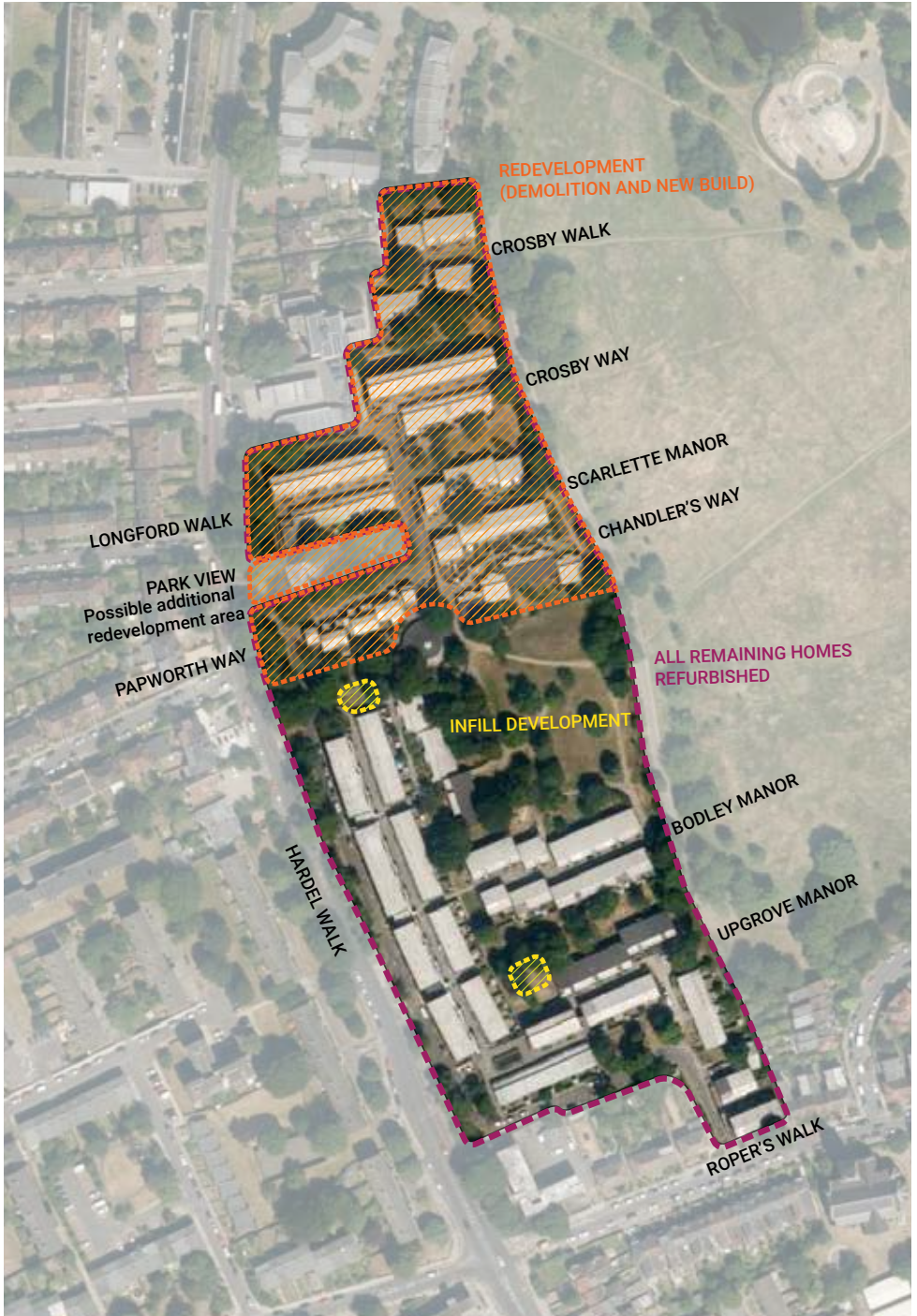
Unfortunately, the predicted cost of bringing homes on Cressingham Gardens up to LHS is disproportionately higher than the average – for every home refurbished to LHS standard on Cressingham, on average, 2 homes elsewhere in the Borough could be brought up to the same level.

We can only pay for refurbishment if money is found in the Council's Housing Revenue Account, whether from grants or re-direction of funds. Given the limited funds available in the Council's Housing Revenue Account, the Council has to make difficult decisions regarding which estates to refurbish and which estates to redevelop.

The new homes would be paid for by Homes for Lambeth. They would not need money from the HRA. However, these homes would need to create an income – they would need to pay for themselves.

The number of new homes provided:

193 new properties would replace the 120 which would be demolished. This means 73 new homes.



■ Option 5 – Full redevelopment

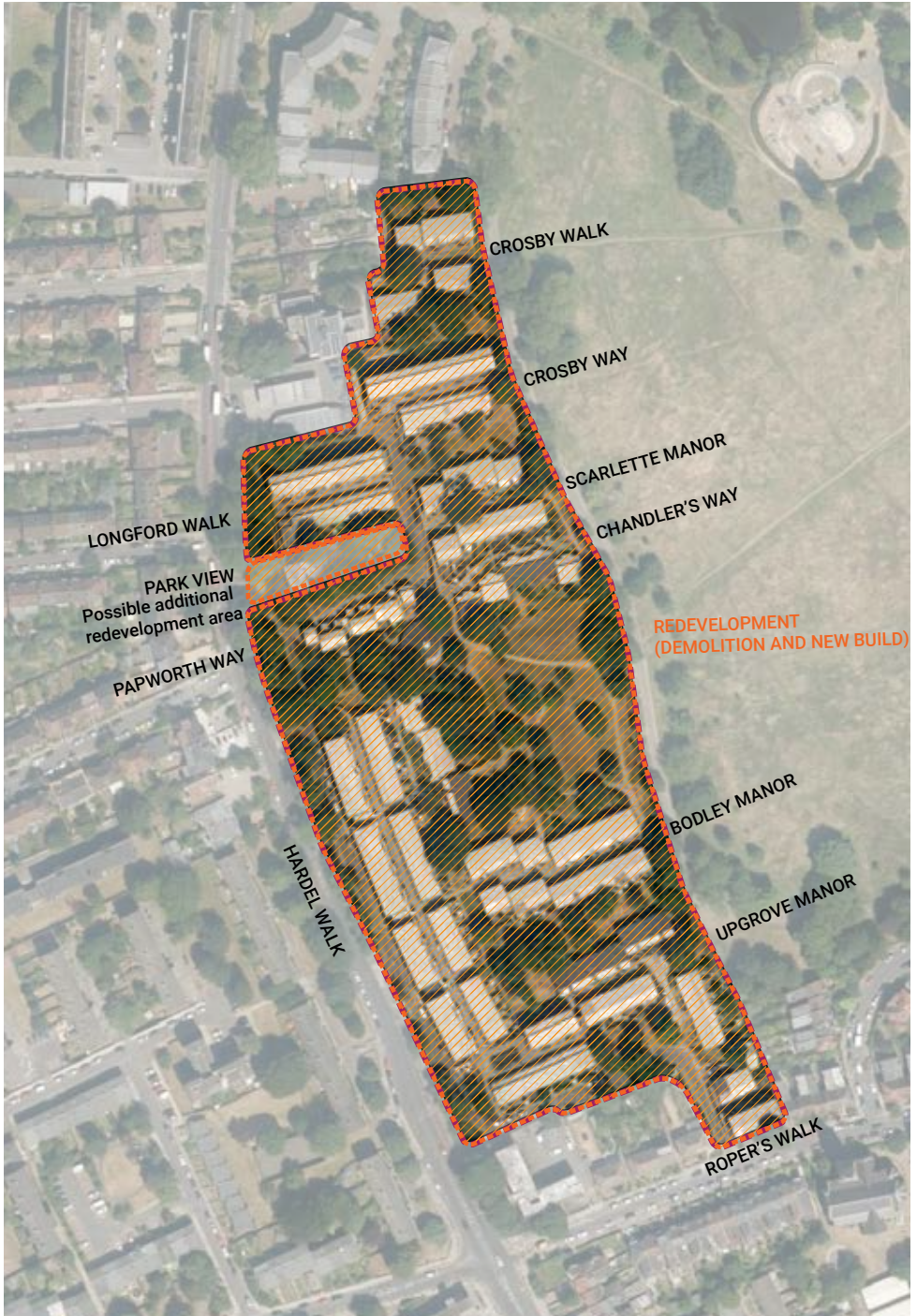
This option would see all 306 properties demolished and replaced with 464 new homes.

Value for money

This option would be paid for by Homes for Lambeth. As a result no money would be needed from the HRA. However, these homes would need to create an income – they would need to pay for themselves.

The number of new homes provided:

464 new properties replace the 306 that are demolished. This means 158 new homes.



Other considerations

During the consultation two additional suggestions have been made by local people:

- Green Retrofitting;
- Right to Manage and Right to Transfer.

We would encourage residents if they have comments on these suggestions to do so in the context of the 5 options. On the next pages you will find information on both.

Green Retrofitting

Green Retrofitting is an option that has been suggested by residents and came out of a working group established as part of discussions on the future of the estate. This is a form of refurbishment for existing properties.

A report provided by a consultancy called Sturgis, commissioned by residents, set out changes that could be made to the estate. It includes changing inset gutters, installing new insulation and dealing with mould and leaking roofs and many of the other items already listed out for the refurbishment works, as noted under the description of Option 1.

The difference between this approach and the normal refurbishment works is that the type of works undertaken would achieve more environmentally friendly homes at the end – such as being more energy efficient. However, these works would cost significantly more than normal Lambeth Housing Standard works.

It was suggested by Sturgis in their report for residents that a proportion of the extra cost could be covered by Government grants. As with availability of grants for refurbishment works, these are now more difficult to obtain than historically. This approach still leaves the Council needing to find, through its HRA, significant funding for refurbishment of the Cressingham Gardens estate (of a similar level to that required for basic refurbishment of the estate).

Right to Manage and Right to Transfer

The Right to Manage and Right to Transfer is a Government programme to support tenants to run their own estates through a Tenants Management Organisation (TMO) or to transfer their homes to a different landlord.

Some residents at Cressingham have applied to the Government for funding to explore the options for setting up a TMO or considering a stock transfer. This means that following consultation and feasibility work tenants may be asked whether they want either of these options. If the majority of tenants on an estate vote to create a TMO, then a TMO would be formed which would manage the estate on the Council's behalf under the terms of a management agreement. TMOs receive allowances from the Council to run services on estates they manage based on the Council's housing management costs. This option brings in no extra funding; the homes still sit within the HRA and all that that implies as discussed earlier in this booklet.

The Right to Transfer allows tenants to consider options to transfer ownership of their homes to another landlord. This landlord would be a Registered Provider such as a housing association. If a majority of the secure tenants vote in favour of a transfer, then the Registered Provider has to purchase the estate from the Council and the secure tenants would become assured tenants of that Registered Provider. The Registered Provider would fund any required refurbishment work.

How the options could affect me?

Lambeth Council has set out a series of key guarantees which set out in detail our commitment to both homeowners and tenants on the estate. This section summarises some of those Key Guarantees and explains whether you will have to move and what your options are.

A full copy of the Key Guarantees is available at:

http://estateregeneration.lambeth.gov.uk/key_guarantees

Home Owner

If my house is refurbished	If my home is replaced
You may be required to move temporarily. Alternative housing would be provided and when the work is finished you will then move back into your refurbished home.	The choice of either moving into a new home on the estate or selling your home back to the Council at market value.
You need to pay the cost of the works to your property as per the terms of your lease.	Under either option the Council will pay reasonable legal and valuation costs enabling homeowners to seek independent advice.
	A home loss payment of 10% for resident homeowners and 7.5% for non-resident homeowners will be made. The homeowner can either take this as if they sell their home or they can transfer it into the equity they would own in a new or refurbished home.

Council tenant

If my house is refurbished	If my home is replaced
You may be required to move temporarily. Alternative housing would be provided and when the work is finished you will then move back into your refurbished home.	The choice of either moving into a new home on the estate with a new assured tenancy OR bidding for a new home through the Choice Based Lettings Scheme with the highest priority status.

How can I have my say?

Between now and 19th February 2016, we are asking for your views on each of the five options we are now looking at.

You can supply feedback via a number of methods:

Online:

Please go to: <http://estateregeneration.lambeth.gov.uk/cressingham> and complete the survey

Email:

You can email your feedback to: cressinghamgardens@lambeth.gov.uk

Mail:

Complete the attached form and send it to:

**Cressingham Gardens Consultation,
FREEPOST RTLA-GHRX-SSXA,
77a Tradescant Road,
London, SW8 1XJ**

If your comments require additional space please attach any additional sheets that you may have.

Contact details:

Pauline Foster, Housing Development Manager: **020 7926 2452**
cressinghamgardens@lambeth.gov.uk

Notes

A series of 25 horizontal dotted lines providing space for handwritten notes.



■ **W:** estateregeneration.lambeth.gov.uk/cressingham
estateregeneration.lambeth.gov.uk/hfl
estateregeneration.lambeth.gov.uk/faqs
estateregeneration.lambeth.gov.uk/key_guarantees

■ **E:** cressingham@lambeth.gov.uk

■ **T:** 020 7926 2452