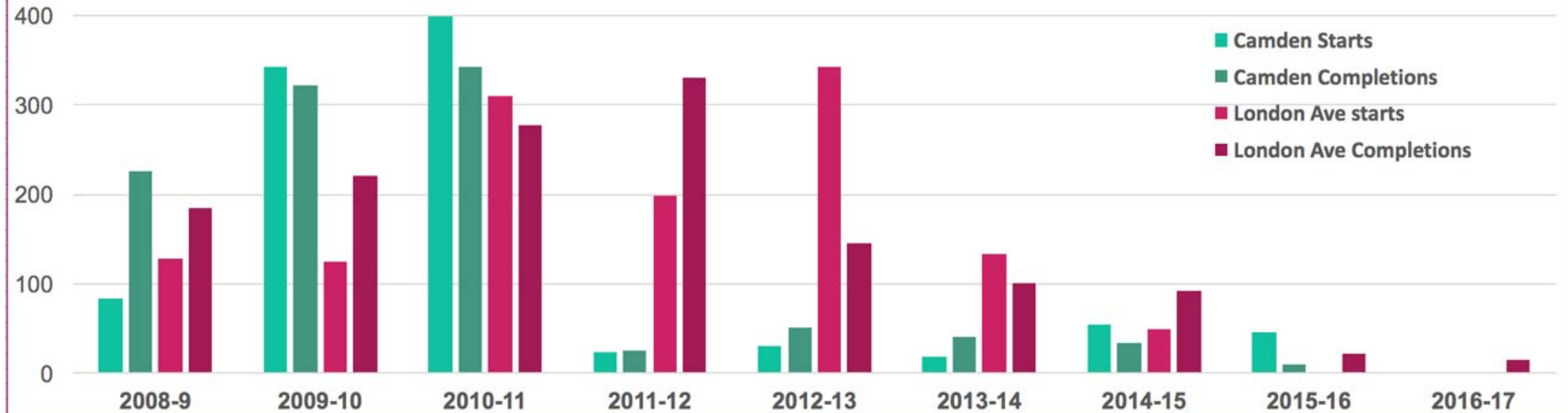


# CIP CHALLENGE

What next for regeneration in  
Camden?

## New social housing - Camden and London a) funded by grants



## New social housing - Camden and London b) all including S106 and self funded



# The Community Investment Programme

- **Since 2011**
- Two programmes in Camden Council to:
  - **sell off land and buildings**
  - **move to new offices in Kings Cross**
  - **build on council land and brownfield sites**
  - **replace and extend schools and community centres**
  - **redevelop council estates.**
- The two programmes are called the Community Investment Programme (CIP) and the Accommodation Strategy.

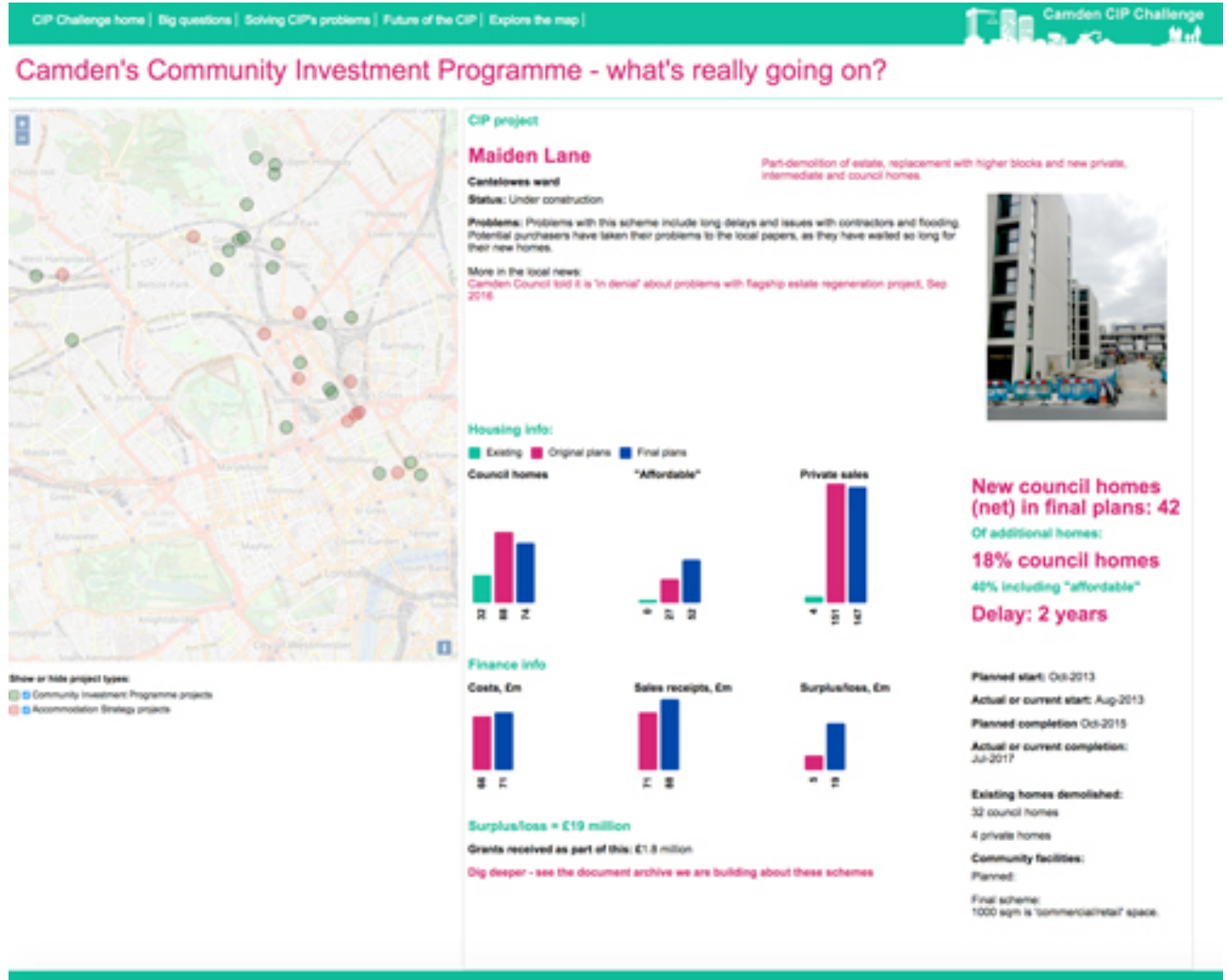
# The CIP Challenge

- Cross- and non-party group of residents wanting to scrutinise the CIP programme
- FOI request for full data on schemes so far submitted August 2016
  - **Response delayed until Feb 2017**
- Intended to increase transparency and prompt ideas for better ways to do it in future
- Website and repository of documents being created

# The results...

<https://cip.camden.gov.uk/projects/>

<http://www.cipchallenge.org.uk>



# Analysis of the CIP so far - homes

## Bacton Low Rise

99 homes demolished  
195 net new homes  
20 new council homes

**10% council homes**

## Abbey Area

70 homes demolished  
171 net new homes  
32 new council homes

**19% council homes**

## Agar Grove

112 homes demolished  
244 net new homes  
6 new council homes

**2% council homes**

## Maiden Lane

36 homes demolished  
237 net new homes  
42 new council homes

**18% council homes**



THE  
CAMDEN  
*collection*

## HOLLY LODGE

*from £720,000*

## PLENDER STREET

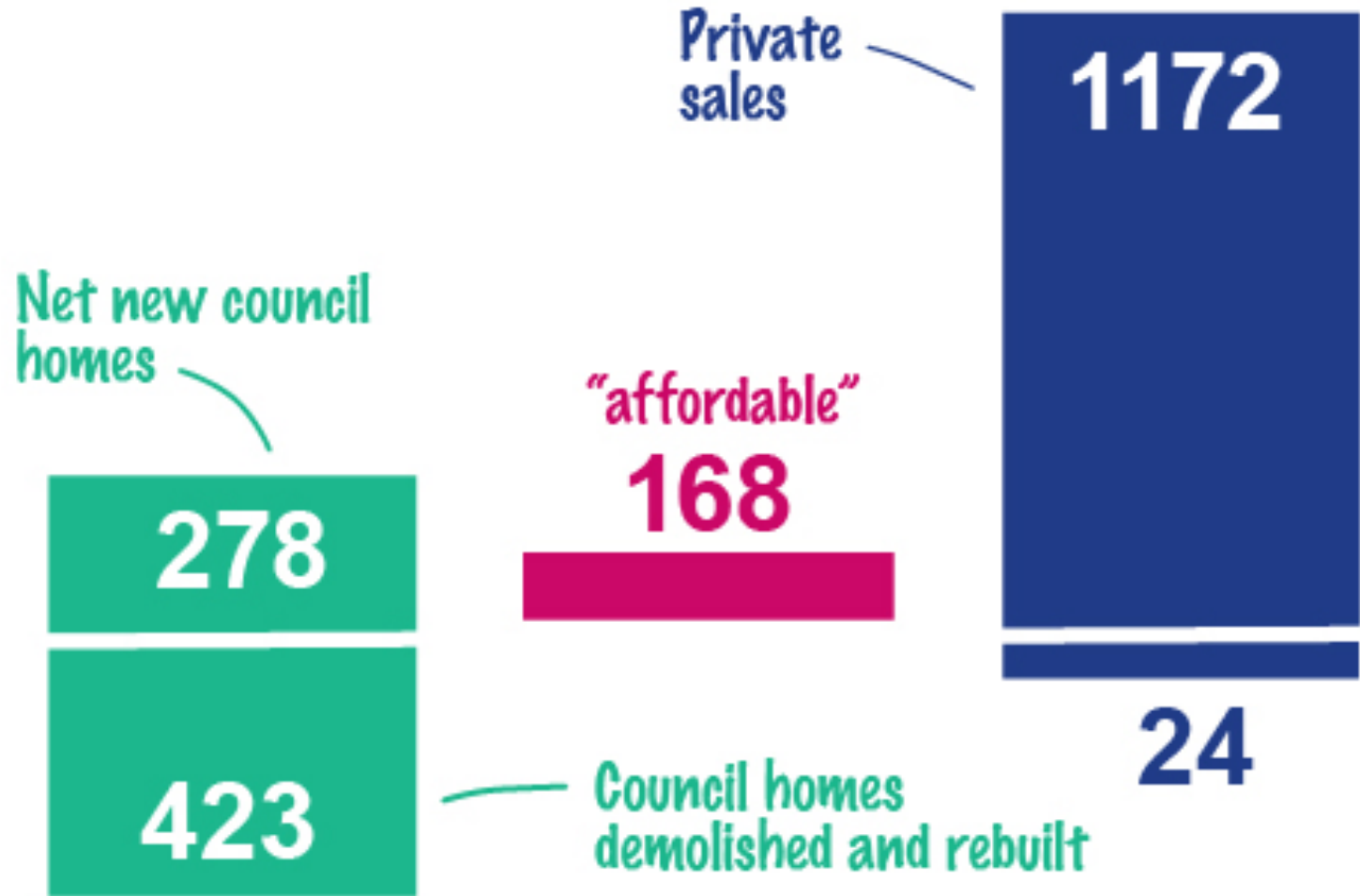
*from £537,500*

## XY APARTMENTS

*from £625,000*

# Analysis of the CIP so far - homes

**17%**  
**new  
council  
homes  
overall**





# Analysis of the CIP so far – finance and delay

- Planned surplus when schemes had their first business cases proposed: **£19 million**
- Surplus estimate Feb 2017: **£54 million**
- Average delay to schemes: **2 years**

**April 2016  
cabinet report:**

**Costs ↑ 44%**

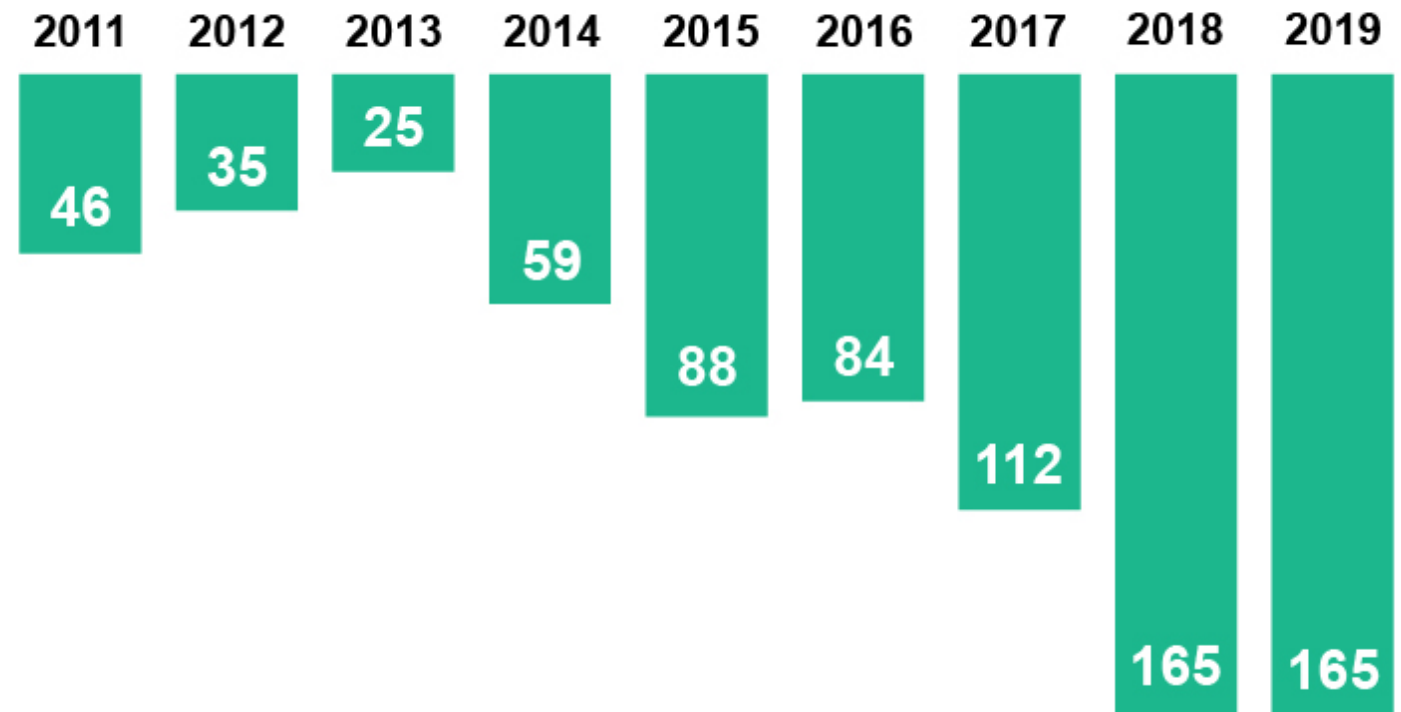
**Receipts ↑ 57%**



# Analysis of the CIP so far - displacement



## Council homes out of action due to CIP projects:



# Analysis of the CIP so far - demolition

	Infill	Demolition
<b>Average cost £m</b>	<b>19</b>	<b>86</b>
<b>Average sales receipts £m</b>	<b>22</b>	<b>94</b>
<b>Average surplus (planned) £m</b>	<b>1.9</b>	<b>4.5</b>
<b>Average surplus (final) £m</b>	<b>3.3</b>	<b>9.5</b>
<b>Average delay, years</b>	<b>1.6</b>	<b>1.9</b>
<b>Average % net council homes</b>	<b>33%</b>	<b>15%</b>

Demolition also increases construction traffic and noise and has a very high environmental cost.

Although there are fewer homes per site on infill schemes, private sales dominate the demolition schemes. With help from residents the council could find a lot more council-owned locations for infill and extension projects.

# Future of the CIP – working group

- Meeting since Oct 2016
- Only Labour councillors
- Exploring options for the future
- Has commissioned a report from consultants Lambert Smith Hampton

## CIP Alternative Delivery



### Key Objectives for future schemes

- To achieve high levels of Affordable Housing, School and community infrastructure across the next phase of CIP
- LBC to have a high degree of control over development outputs including design standards, sustainability, mix, tenure and infrastructure
- To provide capital and revenue receipt options
- Provide access to high calibre technical resources and private finance
- Enhance the reputation of LBC as a provider of housing, schools and community infrastructure
- To achieve high standard of estate management and stewardship
- To be financially viable over the life of the programme

### Alternative Delivery - Requirements

- Provide alternative sources of funding to HRA finance
- An effective delivery strategy recognising stretched internal resources.
- A strategy that allows for the Council to manage development risk on future projects.



# Future options being looked at

- ‘Strategic Joint Venture partnership’
- ‘Site specific joint ventures’
- ‘Strategic partnership’
- ‘Long leasehold model’
- ‘Income strip model’

# Future options

## ‘Strategic Joint Venture partnership’

A big developer shares risk and investment and acquires Camden’s land on a ‘50/50’ basis.

This is similar to the Haringey ‘HDV’ proposal that is proving so controversial and would lock Camden in with a large company for many years.

### Strategic Joint Venture partnership

---

- Council invests land
- Partner takes responsibility for delivery of mixed-tenure outputs
- Council takes affordable housing outputs
- Single procurement exercise for multiple sites and long-term partnerships

#### Joint Venture

- Priority return – secures minimum land value early
- Equity Share ‘aligns’ risk and commercial interest on 50/50 basis

# Future options

## ‘Site specific joint ventures’

This involves finding private sector partners for development on each site.

Camden could keep ownership of the land in this model but would have to deal with high expected short-term profits from its partners.

### Site specific joint ventures

- Council invests land
  - Partner brings capital/expertise to assemble land and secure planning
  - Shared expertise and skills for complex, projects, with shared reward in JV structure
  - LBC as affordable developer (and potential funder)
  - Potential for LBC to hold assets for income generation
- 
- Transaction costs and time for single site



# Future options

## ‘Strategic partnership’

Another option which involves setting up in business with a private company in a long term deal.

In this, the financing is shared, but different sites could be developed in different ways. It’s still likely the partners most interested would be big developers.

### Strategic partnership

- Co-funding relationship to fund capital in infrastructure and land assembly
- Delivered through a SPV
- Partner could be investor, or investor/development
- Council and partner can choose delivery approaches and partners
- Possible to do without recourse to OJEU if only funding being sourced or via a wholly owned company



# Future options

## ‘Long leasehold model’

An alternative to selling off land completely where the companies taking on each site do the development themselves and offer Camden an income from the lease.

It’s likely we’d get very little new council housing from this model though these kinds of deals could be struck with community land trusts if the Council was persuaded of their benefits.

## Long leasehold model

- Sale of land through long lease; Council sells land but takes value through income from the lease
- Partner funds and delivers development for affordable/PRS housing
- Enables significant risk transfer to partner
- Developer profit margin is lower than model where developer is taking significant sales risk
- Could be possible to do without recourse to OJEU
- Only applicable to some site elements

# Future options

## ‘Income strip model’

The council here would hang on to the land and look for investors (which could be institutions like pension funds) who would do a deal to invest in the CIP in exchange for a guaranteed long-term return.

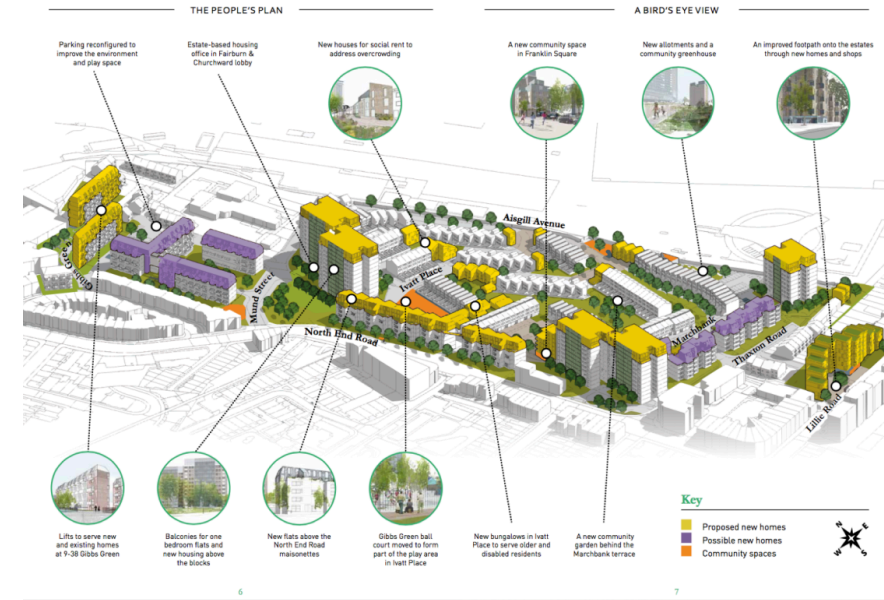
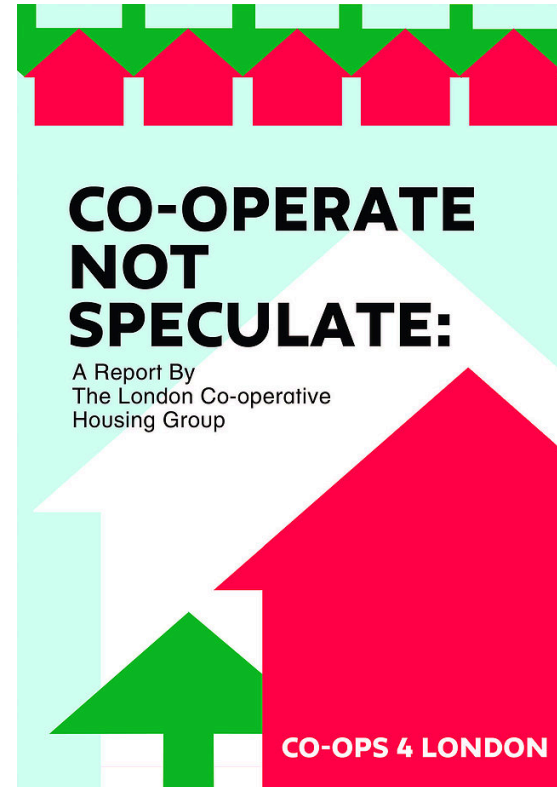
Development would probably continue similarly to the current CIP, with the council or a council-owned company delivering the actual schemes and employing contractors.

## Income strip model

- Funder makes an “investment” which pays for the development costs, and gets a guaranteed return through lease payments typically over 45 years.
- Tenants would at all times be tenants of the Council and asset comes back to the Council after 45 years.
- A council company could take the place of the Council.
- No requirement for OJEU procurement route.
- Doesn’t deal with development delivery and Council covenant limits risk transfer

# Options NOT looked at (yet)

- Community Land Trusts
- Co-ops
- People's plans



# A People's Land Commission?

## Philadelphia, USA: 'Take Back Vacant Land'

Campaigners mapped vacant and underused land in their neighbourhood.

Won a new local law for a Land Bank in 2014, which buys up vacant land and turns it over to Community Land Trusts for new housing.





# Motion in April

Response Jul 2017:

“Camden Council supports community-led housing and the delivery of innovative housing types as a way to secure social diversity, but we need to balance this with ensuring we make best use of public land to provide council and other affordable housing and support public finances in the face of Government cuts.”

## 3. To consider the following Motion, notice of which was given by Councillor Sian Berry and seconded by Councillor Flick Rea

This Council notes that new community-led models of housing development are a real opportunity for a wide range of people to be part of providing new homes.

Groups of residents developing ideas for new co-operatives, community land trusts and co-housing developments are springing up across London and can now apply for financial support from the Mayor's Homes for Londoners Affordable Homes programme.

The Government has also recently provided support to borough councils, including Camden, for building capacity within local groups for community-led housing. The new Community Housing Fund is an annual programme and in following years the funds must be used to help deliver housing on the ground.

Camden has thousands of people in need of new homes at social and living rent levels, including teachers, emergency service workers, NHS staff, cleaners, shop workers, and many more vital citizens who are increasingly having to move away from our borough. These are the ideal people to be getting together to form housing co-ops or community land trusts and the council should be supporting them as much as it can.

We urge Cabinet Members to use the support of the Mayor and the Government funding recently provided to help spread information about community-led housing to new people in Camden, pooling resources with other councils if needed.

We also urge the Council Leader and Cabinet to look closely at working with community groups to build truly affordable homes using these new models of development on the Council's own land in future.

# Cabinet decision

- Cabinet paper now being written – expected at 6 September Cabinet meeting.
- Published on 29 August
- LSH report finished but not yet published

## Next Steps

### Cabinet paper timetable

- **25 January Cabinet** – update on approved programme, progress to date, overview of financial sensitivity analysis following EU referendum + look ahead to alternative delivery proposal in April.
- **5 April Cabinet** - proposal on how to fund and deliver future CIP schemes.

### Future working group meeting plan for discussion (dates TBC)

- **Monday 23 January:** examples of delivery models in other boroughs
- **Thursday 16 February:** present findings of research
- **Monday 13 March:** discussion of draft proposal ahead of April Cabinet report

# Cabinet decision – written question 3 Jul

## QUESTION 32 (WRITTEN)

**TO THE: CABINET MEMBER FOR REGENERATION, TRANSPORT AND PLANNING**

**BY: COUNCILLOR SIAN BERRY**

The Cabinet Member told the Ham and High newspaper on 9 May 2017 that: “We are looking at a range of options for future delivery of CIP and will launch inclusive public discussions about this when we have finished our research.” ...

When will details of the different options being considered by the working group be published for discussion by Camden residents and councillors from other parties, will the consultant report be published, and will the Cabinet decision now be delayed to allow time for meaningful public engagement that has a chance to influence which option is chosen?



# Cabinet decision – written answer 3 Aug

“Our preference is to continue delivering future Community Investment Programme (CIP) schemes directly, building on the £1bn of investment into Camden already planned through approved CIP projects. However, this is dependent on us securing the Government’s support to build more affordable housing and invest in community facilities.

“Officers have rightly undertaken thorough research into different ways of bringing in finance, which we will consider if meaningful support from the Government does not materialise. However, we have no intention of proposing a ‘Strategic Joint Venture Partnership’. We will engage with residents to discuss these options ahead of any future decisions.”

# Other decisions coming up

- Review of Camden planning guidance
  - **Updating to match new Local Plan (planning policy)**
  - **Consultations due in Autumn on some aspects of housing**
  - **Phase 2 – more on housing due in 2018**
- Constitution review – chance to do after the election
  - **Previous proposals from Sian Berry in 2016: more structured planning meetings, with better resident involvement**
  - **Could include things like constitutionally separating planning from regeneration in cabinet portfolios, or having opposition councillor chairing Housing Scrutiny**
  - **Other ideas?**