

Item 2 - What is the scale and nature of development by Housing Associations in Hackney, and what approaches are providers taking to their existing stock?

Introduction

Peabody owns and manages around 66,000 homes in London and the South East. We have 133,000 residents and provide care and support services to over 8,000 vulnerable people. Our 6,764 homes in the borough means we have more homes in Hackney than in any other local authority area. We are here to help people make the most of their lives. We aim to do this by developing and delivering reliably good modern services, building and maintaining the best quality developments, working with local communities and building long-term partnerships, and growing and using our position of influence to create positive change. We have a strong local focus, and our Pembury Children's Community partnership with Hackney Council, which includes schools, health services and the voluntary sector, continues to make a real difference to people's lives. We look forward to continuing our wide-ranging work with the council for the long-term benefit of local people.

Asset Summary

Peabody has more properties in Hackney than any other borough and forms a super region when joined with Islington.

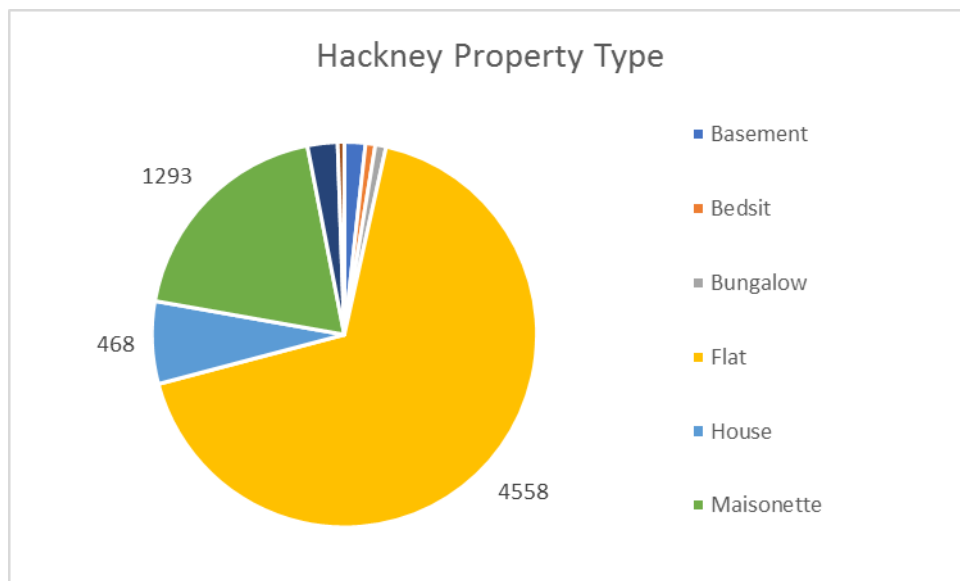
In total we have 6764 properties in the borough delivering a diverse range of services from general rented, the crown estate stock at Victoria Park through to Care and Supported schemes for our more vulnerable residents.

Table 1 – Hackney Property Synopsis

Bedspace	General Needs	Regency rental	Leaseholder	Supported Housing	Market Rent	Shared Ownership	Total
0	19		17	150		1	187
1	1220	55	342	510	24	206	2357
2	1525	89	468	24	10	273	2389
3	969	47	164	16		70	1266
4	357	8	16	3		7	391
5	40	3	5	0			48
6	16		1	0		1	18

8	1			0			1
(blank)	88	7	10	1		1	107
Total	4235	209	1023	704	34	559	6764

The vast majority of our properties in Hackney are flats and maisonettes.



Stock Condition

We have a rolling programme with an annual target of 10,000 surveys a year. In 2020/21 we will complete 17,000 external surveys to ensure that none of our surveys are over 5 years old as part of a rolling programme. This enables us to prioritise the works where they are needed most.

Since 2015 we have undertaken an extensive programme of stock condition surveys. In Hackney we have 100% external stock condition survey data and over 75% internal condition data.

In general, our largest challenge has been the external decorations and refurbishment of our street properties across all boroughs. However, for the past two years we have focussed on properties in Hackney delivering large programmes of work in the borough.

Stock Investment Programme

Last financial year as Peabody we invested over £40m (capital and revenue expenditure) across our stock, and this year we plan to £54m (capital and revenue expenditure).

We have focussed our efforts on the external works in Hackney, the investment spend for 19/20 is detailed below:

Hackney Internal Works Year 2 2019 to 2020	Properties	Cost
Bathroom	165	£660,000
Kitchen	240	£1,560,000
Total		£ 2,220,000

Hackney External Works Year 2 2019 to 2020	Properties	Cost
Ex Decs	141	£535,800
Flat Roof replacement	1	£24,500
Window Replacement & Ex Decs	240	£1,920,000
Total		£2,480,300

The kitchens and bathroom replacement programme, is a continually rolling programme of investment and driven by our stock condition survey information. In addition we have a separate budget to fund our work around FRA and Fire recladding works.

Active Asset Management

Peabody Group owns over 66,000 properties and we developed over 1200 homes in London last year. As part of our active asset management, when a property becomes vacant we carry out a full assessment of the property and there are cases where we decide to sell the property. We disposed of 5 properties in Hackney in 2018/19 out of a total of 27 for the entire stock. For 2019/20 we have sold 3 properties with 4 in the process of being evaluated.

Peabody Development Activity in Hackney

We continue to deliver an active development programme in Hackney, which is largely focussed around maximising the use of our existing landholdings and assets. The following summaries provide an overview of our current development projects within the Borough.

Pembury Youth Hall, Pembury Circus - 13 Units

Pembury Youth Hall is an infill site on our existing Pembury Estate. Planning consent for 13 flats was granted in September 2015, with the Section 106 agreement completed in October 2018.

Pembury Youth Hall was previously utilised as a nursery and a community youth centre. Between 2009-2015, the community youth centre facilities were moved to a new combined facility at the southern end of the estate and the nursery was moved to a new nearby building. This relocation enabled the freeing up of the old youth centre site for redevelopment and provision of 100% affordable housing.

The scheme has planning consent for 6x market sale, 2x shared ownership and 5x general needs rent. The current proposal is to deliver 100% affordable housing including 3x social rent units. This requires a Deed of Variation to the current S106 Agreement.

The Contractor has been selected and the project is ready to start on site, having secured £1,718,317 grant funding from Right to Buy (RtB) receipts from the Council.

Delivery Programme

Start on Site - March 2020

Practical Completion - March 2022

Morpeth Road - 12 Units

Morpeth Road is an infill site on our Victoria Park Estate, currently occupied by a number of surplus garage buildings. Planning consent to demolish the existing garages and deliver 12 semi-detached houses was granted in 2015, with the section 106 agreement completed in May 2018.

The site is a transfer from the Crown Estate and there is a land covenant restricting the tenures that could be delivered on site. Our proposal is to provide 100% keyworker homes. £1,436,730 RtB receipts grant funding support is being provided by the Council.

The scheme has planning consent for 12 houses for market and affordable housing. The current proposal is deliver as a 100% key worker rent at London Living Rent* (LLR), with the exception of 3x 3-bed houses, which will be let at social rent levels but will remain key worker rent in perpetuity.

**These units will remain as key worker rented tenure let at LLR levels in perpetuity, and NOT as a combined rent and sale tenure as per the usual definition of LLR.*

Delivery Programme

Start on Site - March 2020

Practical Completion - September 2021

Powell Road, Hackney Downs- 21 units

This site was acquired by Peabody in 2016 with an existing planning permission for 16x market sale and 5x shared ownership units, plus 500 square metres commercial space. The current proposal is to deliver the scheme as a 100% affordable housing development, which will require a Deed of Variation (DoV) to the existing Section 106 Agreement.

This is one of the schemes earmarked by the Council for grant funding and the application process is currently underway, with RtB receipts grant funding sought.

In anticipation of commencing works, we have entered into PCSA (Pre-Contract Services Agreement) with a contractor to de-risk a number of items and firm up the build costs. Neighbourly agreements such as licences, party wall matters are currently being dealt with.

Subject to resolution of various project issues and funding confirmation being received and internal committee approval the **programme** is as follows.

Delivery Programme

Start on Site - April 2020

Practical Completion - April 2022

124-128 Bethune Road

This existing 4-storey building in the Woodberry Down area of the Borough, was acquired in the 1980s by New Islington & Hackney Housing Association (NIHHA) with funding from the NHS to provide supported housing for people with learning disabilities. The existing facility has 8x 3-bed shared units. The building is still in use by people with support needs but is unpopular as the units are not self-contained and facilities are shared.

The proposal is to redevelop the site to provide an exemplar supported Learning Disability and Autism scheme. This will provide circa 13x supported units and is proposed to have a separate core of circa 6x general needs rent flats. The preferred mix and users for the building are still under discussion with Hackney commissioners (Penny Heron) and Peabody's Care & Support team.

A complication at Bethune Road is the fact that title to the land remains with the NHS, who provided a grant to NIHHA for the original scheme in the 1980s. Negotiations are currently under way with NHS England in relation to this land charge.

Delivery Programme

Start on Site - June 2021

Practical Completion - June 2023

Marsh Hill

This purpose built facility for people with mental health supported housing needs in Homerton, is no longer fit for purpose. The building, developed by NIHHA in the 1980s with NHS funding, has 32x single rooms with shared bathrooms, kitchens and lounges.

The property has now been vacated and is being used as a site compound by our contractor. The proposal is to demolish the existing scheme, and to develop an Intensive Support Hub of 6x self-contained studio units, 12x 'Recovery Hub' flats and 28x general needs rent homes (to potentially include 3x 'Preparation for Independence' flats).

Peabody owns the freehold, but again there is an NHS England land charge on the title based on their grant funding of the existing scheme. Negotiations in relation to this land charge are currently underway with the NHS.

Delivery Programme

Start on Site - June 2021

Practical Completion - June 2023

Repairs Strategy

We have defined Hackney as a super region, due to the density of stock within the borough and our focus on improving our repairs delivery within the area.

The 'super region' approach will include:

- Single supplier undertaking repairs and long term planned work to provide continuity
- Improving the presence of the local supplier and closer connection and coordination of repairs and works within the location.

Axis is the general responsive repairs contractor for Hackney. We have recently change their operating area to condensed them into the Hackney and Islington to cover this area as a super region.

This condensed geographical operating area will allow Axis to focus on improvement to frontline service delivery and allow them to have a local presence within borough. Where possible we will look to use Axis to conduct investment works to ensure there is continuity of service to customers.

We are making some significant changes to our operation to improve and modernise our service delivery. We have gained support from the board to invest in upgrading our systems to give a better customer experience. We have recently changed some aspects to our repairs customer journey (including appointment booking and text message updates) and will continue to make further improvements that will enable customers to see the status of their repairs and allow residents to book repairs in a digital way.

Building Safety and Fire Risk

The safety of our residents is our highest priority and we are working to make sure our buildings and therefore our residents are safe.

Since late 2018 Peabody has been working as part of the MHCLG's Early Adopters Group to trial the recommendations and use our experience to advise policy-makers. Alongside that work we have been proactively reviewing and addressing the risk in our own stock.

Our data review is nearing completion and we expect 286 buildings to fall within the definition of a high risk building. We have identified a further 37 low rise buildings as high risk across our portfolio.

As we identify specific issues in buildings, we develop and deliver a communications strategy which includes letters and meetings at various stages in the process. Where we need to suspend stay put temporarily we undertake fire drills and involve as many residents as we can in that process.

In Hackney we have 8 blocks over 10 storeys high, 13 blocks over 18m-30m high and 2 buildings complex which are below 18m but where we consider these a high risk.

We are currently working on a 6 storey block (Bristow Court E8) , where we are removing HPL , rendered EPS and timber to reduce the fire risk for our residents following a thorough review.