

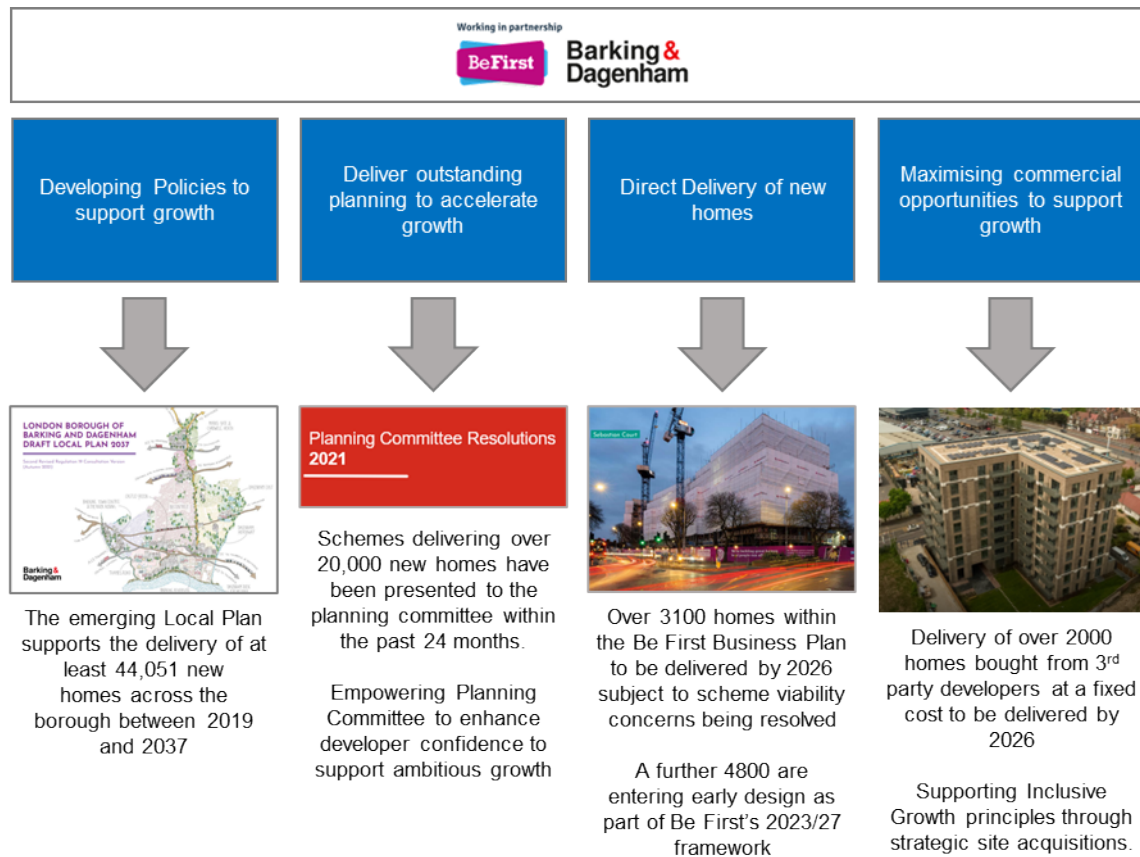
OVERVIEW AND SCRUTINY COMMITTEE

9 November 2022

Title: Housing Regeneration	
Report of the Chief Planning Director, Be First	
Open Report	For Information
Wards Affected: All	Key Decision: No
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Summary This paper provides an update to the Overview and Scrutiny Committee on the levels of housing delivery within Barking and Dagenham. The report covers the following four key areas: <ul style="list-style-type: none">• An overview (2019-2024) of the number of homes consented and delivered;• A summary of ‘key sites’ to support new unit delivery within the emerging Local Plan (to 2037);• An overview (2022-2027) of the projected unit delivery within the Be First pipeline of development; and• A summary (2027-2031) of indicative unit delivery within the longer term Be First portfolio.	
Recommendation(s) The Overview and Scrutiny Committee is recommended to: <ul style="list-style-type: none">(i) Note the importance of Council-led housing delivery in providing affordable housing within Barking and Dagenham; and(ii) Note the levels of housing delivered over the past three years and the quantum of housing within the short/medium-term pipeline as well as wider housing deliverables in the emerging Local Plan.	
Reason(s) The matters discussed within the report relate to the Council priority of “Inclusive Growth”.	

1. Introduction and Background

- 1.1 The London Borough of Barking and Dagenham (LBBB) is committed to delivering new homes to meet the needs of local people on the Council's housing register and other working Londoners, including local working people who struggle to afford private rents or to access homeownership.
- 1.2 Be First is working in partnership with LBBB to accelerate regeneration and the delivery of new housing within the Borough. The following diagram summarises the key strands of Be First's work to provide new housing and outlines the quantum of housing each strand is working to deliver:



- 1.3 Further to the above, Be First is working to unlock the development potential of Barking and Dagenham by establishing positive working partnerships with corporate developers and key stakeholders.
- 1.4 Build cost inflation, Brexit, the Covid-19 pandemic, and global energy price rises are all presenting significant constraints to development. Be First is continuing work to present options to LBBB and elected Members to address the deterioration in the viability of schemes to enable development to continue. This has been discussed in greater detail at the recent September Members' Briefing and in the context of the Gascoigne Estate East Phase 3B at the 18 October 2022 Cabinet (minute 43 refers). Maintaining development impetus will be essential to continue to unlock the development potential within the Borough and to deliver much needed new (and affordable) housing to ensure no one is left behind.

1.5 Be First continues to work closely with My Place and Reside to ensure the delivery and handover process of new housing is resident-focused, efficient, well understood and with each entity aware of its own and others' responsibilities.

2. New homes consented and delivered (2019-2024)

2.1 Over the past three years, LBBB's Planning Committee has seen a significant increase in development proposals coming forward. With the support of Be First planning officers, Planning Committee Members have resolved to grant consent for almost 9,000 new homes of which 44% (by unit) are affordable.

2.2 The table below summarises the Borough's housing pipeline for the period 2019-2024. It is based on data extrapolated from: LBBB's planning register (for consents granted and live within planning); Department for Levelling Up, Housing and Communities (DLUHC) data (housing delivered); and from pre-application discussions currently ongoing.

	Data from DLUHC Annual Monitoring Reports				Planning PROJECTION	
	2019/20	2020/21	2021/22	2022/23 Q1/2	2022/23 Q3/4	2023/24
Housing Delivery Targets						
Policy Target - Total Homes	1236	1944	1944	972	972	1944

Housing Consented						
Planning Permission Granted - Total Homes	3139	1379	969	324	3179	2314
Planning Permission Granted - Total Affordable Homes	1273	620	344	78	1193	809
Planning Permission Granted - Total Affordable Homes ('more affordable')	595 (342)	392 (388)	256 (108)	31 (31)	542 (155)	283
Planning Permission Granted - Total Affordable Homes (at 'Intermediate')	678 (236)	228 (155)	88 (79)	47 (47)	651 (202)	526

Housing Delivered				Q1 Only		
Total Homes	1069	1048	1124	158	n/a	n/a
Total Affordable Homes	324	239	346	124	n/a	n/a
Total Affordable Homes (at 'more affordable')	10	99 (66)	194 (155)	58 (58)	n/a	n/a
Total Affordable Homes (at Intermediate)	314	212 (58)	152 (152)	66 (66)	n/a	n/a

- 2.3 Focusing first on 'housing consented', a total of 5,811 new homes have received planning permission since 1 April 2019. Of this, 2,315 of the homes have been secured as 'affordable'. This represents 40% (by unit) of all homes consented to be affordable. Affordable homes are generally grouped into 'more affordable' (sometimes known as genuinely affordable) and 'intermediate' [see appendix 1 for details]. Of the 2,315 affordable homes consented, 1,274 of these (55%) are 'more affordable' with most of these homes suitable for residents on LBBB's Council housing waiting list.
- 2.4 The table also highlights in (blue) the quantum of affordable housing which has secured consent through LBBB/Be First-led proposals (both direct delivery and turn-key homes). This demonstrates that 60% of all affordable homes consented since 1 April 2019 have been secured by LBBB/Be First-led proposals.
- 2.5 Turning to 'housing delivered', a total of 3,399 new homes have been delivered for residents to move into since 1 April 2019. Of this, 1,033 of the homes have been delivered as 'affordable'. This represents 30% (by unit) of the homes delivered to be affordable. Of the 1,033 affordable homes delivered, 361 of these (35%) are 'more affordable' with most of these homes suitable for residents on LBBB's Council housing waiting list.
- 2.6 The table also highlights in (red) the quantum of affordable housing which has been delivered through LBBB/Be First-led proposals (both direct delivery and turn-key homes). This demonstrates that 54% of all affordable homes delivered since 1 April 2019 have been delivered by LBBB/Be First-led proposals. It should also be specifically noted that having regard to the delivery of the 'more affordable' housing, LBBB/Be First-led proposals have secured 77% (279 units) of this provision.
- 2.7 Turning to the 'planning projection' column, the 2022/2023 Q3/4 column is compiled from schemes which have already received a resolution to grant planning permission from LBBB's Planning Committee and for which decisions are expected to be formally issued in the next six months once all legal obligations have been secured. In total, consent is expected to be issued for 3,179 new homes of which 1,193 (37.5%) will be affordable. Over the next six months LBBB/Be First-led schemes will account for 30% of all affordable homes consented.
- 2.8 The 2023/2024 column represents without prejudice a summation of schemes currently in early planning or pre-application stages, but which will not receive a decision within the next six months. It is expected that the final numbers of homes consented in this column will increase as more schemes come forward over the next six-twelve months and have been presented to Planning Committee.¹ The pipeline of LBBB/Be First schemes are not included in this column but are summarised in more detail in section 4 of this report.
- 2.9 Separate to the above, Be First is working with key development partners including Peabody, Countryside Homes, Barking Riverside and Ecoworld on sites with capacity to deliver over 16,000 high quality new homes within the Borough. These

¹ NB. While it is possible that this figure could also reduce in response to macro economic circumstances, it is worth noting that during recession, developers often still pursue planning permissions as a mechanism for maximising site value, and also to be ready to progress construction once the economy is more stable.

schemes will deliver entire new neighbourhoods and will come forward in development phases over the next twelve years.²

3. The emerging Local Plan – supporting new homes to 2037

- 3.1 Planning policy sets the framework for development on the Borough’s land. LBBB’s emerging Local Plan has been drafted to encourage and support the delivery of high quality and affordable housing and identifies a yearly minimum target of 1,944 new homes (minimum of 44,051 in total by 2037).³ Housing delivery policies of the Borough fully align with the London Mayor’s planning policies and we work together with the GLA to secure the delivery of significant volumes of much needed new homes within the Borough.
- 3.2 The emerging Local Plan was submitted to the Planning Inspector in December 2021 and is now within the Examination Process being examined against the tests of soundness as defined in national policy and legislation. Initial Hearing Sessions were held in July 2022. The Inspectors are now considering additional information that was submitted to them. As the Local Plan continues through the examination stages more weight can be apportioned to it in decision taking.
- 3.3 Emerging Local Plan Policy Strategic Policy SPDG1 explores regeneration and housing delivery potential at key sites across the Borough defined as ‘Transformation Areas’. These areas are identified as having potential for higher levels of development, where this is supported by appropriate transport and social infrastructure. A significant proportion of all new housing delivered during the Plan period to 2037 will come forward within the Transformation Areas. The table below sets out policy expectations for the quantum of new homes expected to be delivered.

	Indicative NEW Housing deliverables
Barking Town Centre and the River Roding	16,175
Barking Riverside	15,619 ⁴
Castle Green	
Thames Road	
Chadwell Heath and Marks Gate	4,839
Dagenham Dock and Beam Park	6,011
Dagenham East	1,200
Dagenham Heathway	1,194
Total	45,038

² NB. Discussions are ongoing with both Countryside and Ecoworld as to the implications of current economic circumstances on their proposed development, including at Beam Park (planning application submitted for LBBB site), within Barking Riverside, and for the Tesco site.

³ NB. Housing targets for the Borough are set by the GLA and we have to ensure that local policy is in general conformity with the London Plan. There is no limit to housing delivery, and we are aware of political aspirations to deliver at least 50,000 new homes.

⁴ NB. this figure does not account for the proposed uplift at Barking Riverside of some 8-10,000 new homes, with a planning application for a new masterplan expected to be submitted in March 2024.

3.4 New housing delivery will also come forward outside of the Transformation Zones, provided this responds to, and/or positively enhance the character of the area through high quality design. For example, existing residential neighbourhoods, including Becontree Estate and Dagenham Village, will be the focus of smaller-scale development and improvements. The LBB/Be First-led scheme at 200 Becontree Avenue and Jervis Court are two such examples.

4. **LBB/Be First pipeline of development (2022-2027)**

4.1 Be First's portfolio of development comprises four key programs of work:

1. **IAS 44** – comprises the original IAS 44 schemes that Be First are directly delivering on behalf of the Council;
2. **Pipeline** – comprises any potential new-build, direct delivery scheme that is not in the IAS 44 but will be built on land owned by LBB;
3. **Turnkey** – comprises projects where the Council purchases a scheme from a third-party developer for a fixed price on a turnkey basis; and
4. **Commercial** – comprises purchasing and holding land/property assets for short and medium-term profit and to support wider regeneration activities.

4.2 Be First's portfolio is delivering 66% affordable housing with a mix of 'more affordable' and 'intermediate' tenures. The nature and mix of affordable housing in developments is governed by a number of factors including but not limited to demand from the Council's housing waiting list (requiring input from My Place & Reside), requirements to re-provide existing housing (as on estate renewal schemes), the availability of grant funding, scheme viability and planning policy requirements.

4.3 It is not uncommon for schemes to undergo change and variation to affordable housing tenures as schemes progress. This, for example, has happened over the past two years on numerous schemes as GLA grant funding has been made available to new London Mayoral supported tenures such as 'London Living Rent' and 'London Affordable Rent' [see appendix 1 for definitions]. It is important to recognise that a balance must be reached between all factors to ensure schemes remain viable and continue to be delivered, especially in a challenging economic climate. As mentioned above, this is an ongoing discussion between Be First, LBB and Members.

4.4 The following tables presents a high-level overview of the potential unit deliverables within the Be First portfolio 2022-2027, and then by scheme for 2022-2023. This information is taken from the Be First Business Plan 2021 and updated to align to projections within the Be First Q1 2022/23 Performance Report. Importantly, it does not therefore incorporate the portfolio viability discussions currently underway and presented at July's Investment Panel, September's Members' Briefing and at the 18 October 2022 Cabinet in the context of Gascoigne East Phase 3B.

4.5 **It is possible that these deliverables will change to reflect these conversations and current macro economic circumstances.**

Projected Unit Delivery						
	2022/23	2023/24	2024/25	2025/26	2026/27	Total
IAS 44	396	852	591	324	0	2363
Pipeline	0	41	0	334	0	375
Turnkey	90	0	520	0	393	1,003
Total	486	893	1,111	658	393	3,741

2022/23 Note caveat set out in para 4.4	Total units	Total affordable units	Affordable Rent	London Living Rent	London Shared Ownership	London Affordable Rent
Crown House	169	169	57	56	56	0
Gas. East Phase 2 E2	159	87	7	0	0	80
Melish Close	6	6	0	0	0	6
Sebastian Court	62	62	33	0	33	29
Chequers Lane	90	90	0	62	0	28
Total	486					

5. LBB/Be First Portfolio 2027-2031

5.1 Looking further to the future, Be First is shortly to progress an updated design and contractor framework programme. This will aspire to identify the delivery of 4,869 homes to enter detailed design. This framework will support delivery within the Transformation Areas identified in the emerging Local Plan (see above for details) covering the following high level parameters:

- Within Barking Town Centre, work will include a review of Gascoigne East and West phases to consider unit uplift within later and new phases. This work will also explore opportunities to bring in additional areas not previously covered by current programmes. It is anticipated this could present opportunities for up to 1,898 additional new homes.
- Within Mark's Gate, capacity across a number of sites will be explored to seek to deliver up to 1,020 high quality new homes.
- Within Dagenham Heathway, detailed design will be progressed to support the delivery of 527 new homes.

- 5.2 Further to the above, work will continue on the Dagenham Village Vision to support delivery within the Ibscott Close Estate allocation site (identified within the emerging Local Plan) to seek to deliver a possible 1,025 new high quality homes.
- 5.3 The work identified above presents a starting point for work to support Be First's delivery of new housing to 2031 but it is not an exhaustive list. External market factors and additional funding streams will present additional opportunities (and challenges) for new sites to emerge. Be First will continue to promote the opportunities within Barking and Dagenham to the wider market and to encourage development partners to invest within the Borough.
- 5.4 Be First will continue to explore all opportunities to accelerate growth within Barking and Dagenham to deliver much needed new homes ensuring no one is left behind.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1: Forms of affordable housing