



Minutes of the 4EF Meeting

24th January 2023 7pm

St John's Community Centre

Present

Residents: Candida (chair), Arthur (mins), Maggie, Jill, Jackie, Eliza, Julius, Jenny,

Advisor: Mike

OH

Apologies: Kim, Lesley, Daniel, Pam, Ahmed, Peter, (Glen, Deidre, Juliet)

1. Apologies etc

Mike's Report (sent separately)

2. KSW – OH is still not very proactive about decanting. Residents could now have the opportunity to move to Riverside properties anywhere in the country.
3. AS&O – Residents are not being offered proper decant status yet as it will block up the Housing Register. This may be rather short-sighted.
4. Kingsbridge – no updates yet. OH is still letting vacant properties on a permanent basis.
5. There needs to be a design group for residents on Kingsbridge so residents from different tenures can work together; OH may be moving forward on this.
6. Samuda – OH is still only looking at the 4 blocks not the whole of the estate. Architects have been appointed to do the Vision Document for just this area.
7. Is there a possible change of heart about the whole estate vs Samuda South from Jessica?
8. Problems with water penetration on all the flat roof buildings over the whole of Samuda often caused by blocked drainage points. OH doesn't do planned maintenance now, only reactive, so it's only when water is coming through that it gets dealt with. This is obviously unsatisfactory.
9. Is this failure to provide decent homes illegal or negligent and can it be challenged legally?
10. Councils will have some responsibility for ensuring the damp and mould is being addressed by HAS.

Fire Safety Standards

11. New buildings 13m and above will now need a second staircase. 11m buildings will not. Implications are that planning will have to be re-applied for, extra costs for building, some taller new buildings may be downscaled to save on costs but it will mean fewer homes.

Cross Subsidy from Private Sales – see Mikes paper below:

12.

Why does social housing now require cross subsidy from private sales?

Until 2008 the public grant available for social housing as a proportion of total scheme costs had remained around or above 50% for several decades. After World War Two the Government subsidies were up to 80%.

Government subsidies for social housing in London are administered by the Greater London Authority. In the 2016-2023 Affordable Homes Programme the grant rate was £70,000 per new home for Housing Associations. In the current 2021-2026 Affordable Homes Programme the grant rate is not a set figure per new home, but it is about 20 to 25% of the costs of building a new home.

The subsidy is for new social housing and not replacement social housing (exceptions are available for homes that are obsolete like Kedge House). One Housing's new build schemes therefore need an element of sales income to replace the Government subsidy the current homes received when they were built in the 1930s to 1960s.

To work out whether a scheme is viable, One Housing has to undertake a Net Present Value Calculation (NPV), a calculation that takes into account the costs to build new homes and how they are paid for over a 30 year period. The costs in the calculation include:

- The cost of demolition
- The cost of rehousing tenants including home loss payments
- The cost of buying out leaseholders
- The cost of building the new homes
- Rental income
- Borrowing including interest rates paid
- Management and maintenance costs
- Income from sales

Here is an example from a 2020 scheme with a negative NPV of **-£3,333,764** on a block that has to be demolished in the ownership of the landlord concerned. The scheme has **111** homes, **65** are rented and **46** are for sale. There were no leaseholders to buy out. There were no moving costs for leaseholders. There are no promises made to existing residents to be on the same rent levels, as One Housing have had to do.

Remember as well build costs have gone up significantly since 2022, interest rates have also increased and income will decrease relatively next year due to the rents being capped at below inflation.

| COSTS & FUNDING | | | |
|--------------------------|--------------------|----------------------|--------------------|
| SCHEME COSTS | | SCHEME FUNDING | |
| WORKS COSTS | £32,546,529 | GLA GRANT | £6,500,000 |
| PLANNING, S106 & CIL | £999,132 | SALES INCOME | £23,140,000 |
| SALES & MARKETING | £23,000 | PRIVATE FINANCE | £9,749,143 |
| OTHER ON-COSTS | £5,820,482 | | |
| TOTAL SCHEME COST | £39,389,143 | TOTAL FUNDING | £39,389,143 |

Mike Tyrrell

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13. Mike will provide an up to date NPV that is more relevant to our projects.
14. Kingsbridge is outside of the tall building zone.
15. All our IOD Projects will be affected by both the Cross Subsidy and Fire Safety issues so the viability needs to be carefully reviewed regularly.

4EF Aims for the next year

16. Making sure that OH is keeping their promises to all the 4 projects that are at different stages.
17. Keeping pressure on OH to create a design group on Kingsbridge.
18. Supporting Samuda RSG to keep residents involved.
19. Monitoring the changes to the Building Legislation and Tall Building Zone
20. Invite Richard /Carol to explain how the merger affects the phasing of the regeneration schemes and how they are going to finance further phases? What services are going to be cut back to pay for this.
21. What capital projects are planned, how are residents going to be involved
22. Overseeing the manifestos and making sure they cover all aspects affecting residents
23. Ensuring OH is taking care of the residents affected by regen who are concerned about their futures – instead of treating us like numbers.