

Archio

Community-Led Housing Accelerator GLA Small Sites Small Builders (SSSB) Case Study - Summary

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Case Study - Summary

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Glossary:

GLA = Greater London Authority

DHLUC = Department for Housing, Levelling Up and Communities

SSSB = Small Sites Small Builders

LPA = Local Planning Authority

CLH = Community-Led Housing

LBBD = London Borough of Barking and Dagenham

CLH-Accelerator = project undertaken by Archio, Be First and CLH London in LBBD

Introduction

Project Team:

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This is a collaborative project between Archio Architects, Be First (LBBB's regeneration company) and Community Led Housing London (CLH London), with funding from the GLA Small Sites Small Builders fund.

This document:

This document summarises the work undertaken during the GLA SSSB funded CLH-Accelerator project. The document is structured as follows:

- Project objectives
- Project process
- What we learnt: workshop descriptions and key findings
- What we learnt: translating findings into disposal criteria
- Appendix: workshop records

Project Objectives

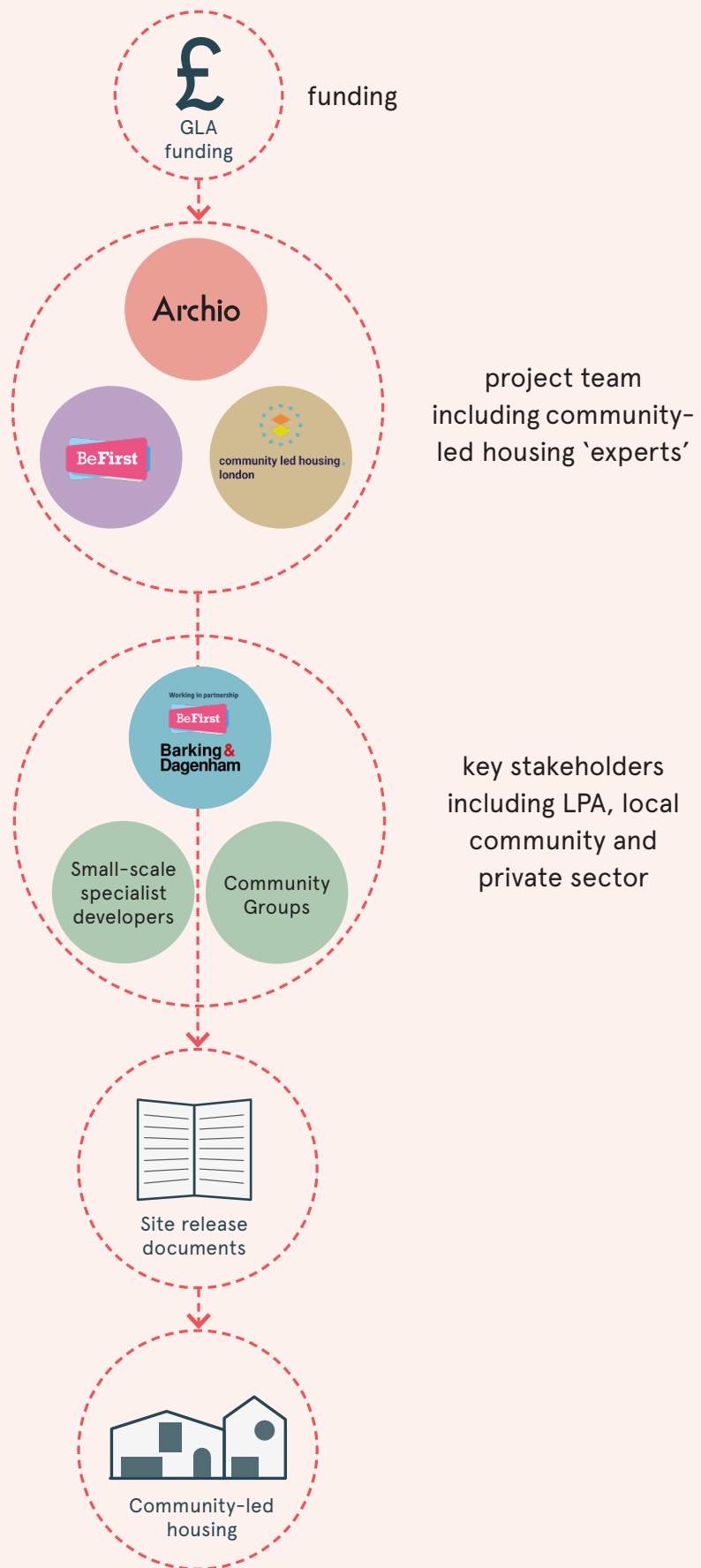
The project brief:

To develop a 'Community-Led Housing Accelerator', with the aim of speeding up the process of facilitating community-led housing in London Borough of Barking + Dagenham (LBBB).

LBBB / Be First are intending to release 4 sites for community-led housing in autumn / winter of 2024. This accelerator will help Be First define the site release documents and increase the number of groups who can bid for these.

The project aims to do this through the following objectives:

- Ensure that community-led housing meets LBBB's social, economic and political objectives
- Increasing awareness of community-led housing amongst LBBB residents
- Accelerate the time taken for groups to be in a position to bid for sites
- Use the support and insight of a focus group of private sector specialists who are experienced in delivering small-scale development
- Support LBBB in aligning with the Mayor's position in the London Housing Strategy to 'support small builders, housing associations and community-led organisations to access publicly-owned small sites'



Above: diagram for the Community-Led Housing Accelerator model (Archio)

Project Process

The process:

The project was structured in six phases described below. Project Team meetings were held bi-weekly throughout.

Phase 1: Information Gathering

- Initial community outreach and research to define the need for CLH in LBB
- Hold an initial workshop with LBB and Be First stakeholders to establish the corporate objectives for providing CLH in the borough

Phase 2: Define Draft Objectives

- Synthesise information gathered during Phase 1 into draft objectives for the site release process

Phase 3: Private Sector Workshop / 'Soft-Market Testing'

- Review the site objectives with the private sector (e.g. small-scale specialist developers) to understand how best to develop CLH on small sites and the process for site release

Phase 4: Site Introductions

- Hold a public community workshop to review the housing need identified during Phase 1 and build awareness of CLH in the borough
- Present LBB's objectives to local residents and run an ideation exercise to help groups and individuals define their need in relation to these

Phase 5: Finalise Objectives

- Synthesise information gathered during Phases 1 - 4 into finalised objectives for the site release process and review with LBB / Be First stakeholders

Phase 6: Disposal Documents Preparation

- Support Be First in the preparation of Site Disposal Documents for launch to the SSSB portal. Collate and prepare the final CLH-Accelerator output.

Phase 1-4: Key Findings

Initial Community Outreach and Research

January 2024



- Use community workshop as a way of collectively agreeing priorities for sites and site release process
- Questions from some groups around fairness - sense that the outcome of this process should be about identifying a need rather than aligning with a specific group or organisation



- May not be feasible to identify with particular groups, but better for them to help understand local need and inform brief
- For some groups it feels like a risk to invest time into something that isn't fully formed and without a clear delivery offer
- Conversations with communities should happen at a slower pace

LBBD and Be First Stakeholder Workshop 1

21 February 2024



- Reflect diversity of the borough. LBBD tagline = 'no-one's left behind'
- Open call - fair allocation
- Take communities on a realistic journey
- Affordability for residents
- Affordability for LBBD
- Meet policy requirements
- Housing need - larger families who want to stay together for longer. People who are in Temporary Accommodation (TA) that could move out e.g. key workers. Younger people who can't afford to move out.



- Can site challenges support particular access needs e.g. access constraints?
- Accessing funding
- Constrained LBBD resources
- Different, but equally valid views on housing need from different communities
- Impact of housing market condition: cost of materials, land values
- Realistic future management e.g. landscaping

Private Sector Workshop

13 March 2024



- Lots of experienced people came to the workshop - people are interested to be involved
- Benefits to existing communities as well as prospective new residents
- Interested to engage in a collaborative way - could there be a deeper / collaborative 'partnership' route with LBBDD to find a shared outcome? Less risk for developers, but still opportunity to be involved in interesting process



- Viability and risk: these are very challenging sites with low borough land values
- Sites not attractive to bid for as it stands - need detailed due diligence and viability testing to reduce risk
- What would happen if existing communities didn't support the idea, making new community groups reluctant to proceed?
- Require clarity on expectation for participatory approach?

Public Community Workshop

19 March 2024



- Putting communities at the centre of design and decision making: genuine co-design
- Collective control: genuine ownership, management and maintenance of homes
- Security: affordable and safe housing with appropriate facilities
- Involve residents in procurement
- Discount market sale could help people get on the ladder
- Transparent governance between developer and community



- Security of tenure - negligent freeholders / excessive service charges
- Building safety
- How can the process ensure that the community voice carries legitimate weight?
- How are decisions made? Clarity over the community's role at each stage of the process

Site Release Process Mapping Workshop

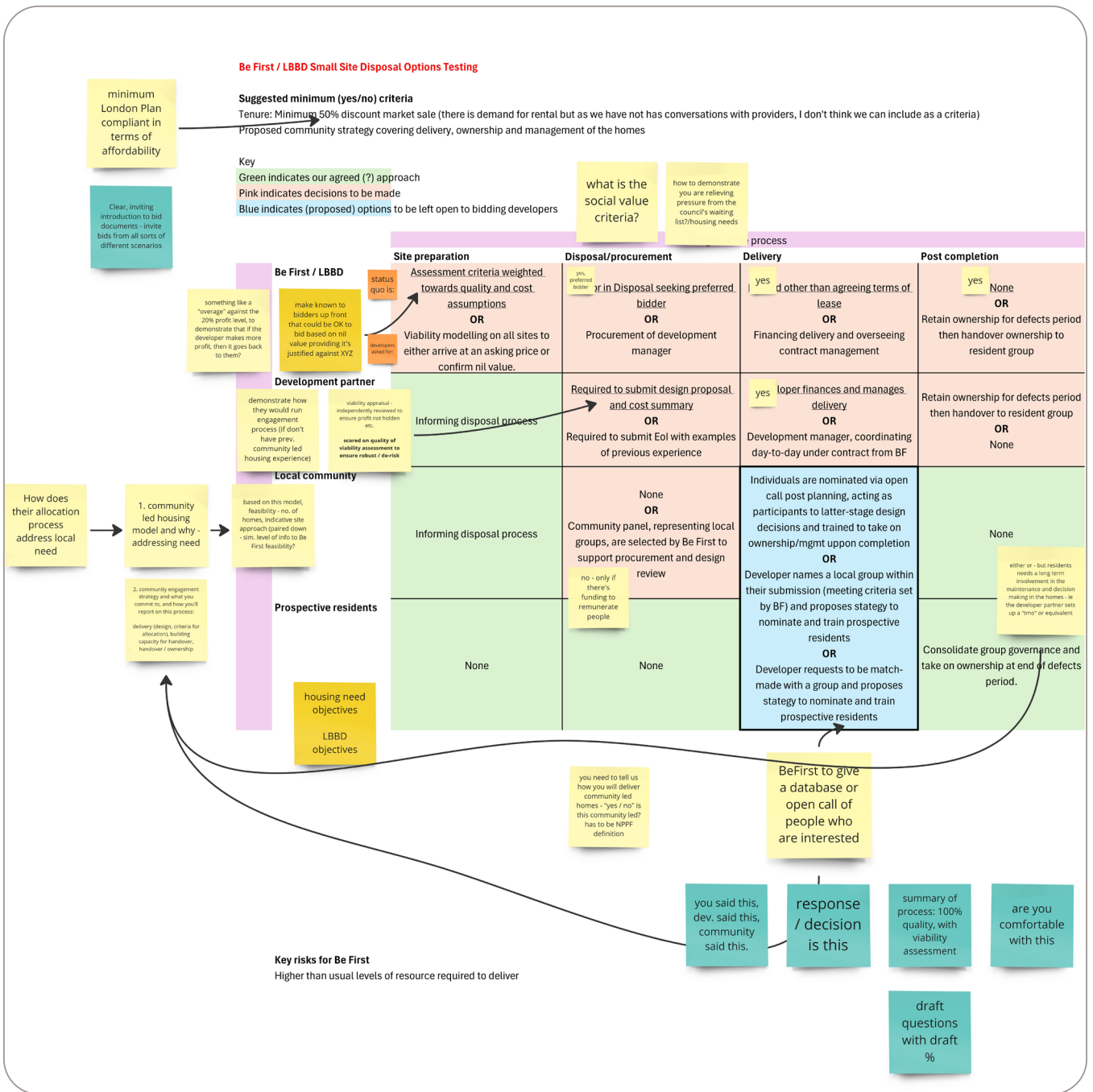
10.04.2024

Description

Phase 5 required us to synthesise the gathered feedback into realistic and deliverable objectives for the site release process. We discussed key findings, reflections and emerging themes during bi-weekly Project Team meetings before holding a Project Team workshop to flesh out our findings into site disposal objectives.

The workshop was held in person and attended by Archio, Be First and CLH London. The discussion was primarily based around a 'site disposal process matrix' which posed options for how received feedback could be embedded within the disposal criteria for Be First's CLH small sites.

For each square of the matrix, we discussed the different options available and suggested what would be the appropriate route based on the feedback we had received. We recorded our conversation and suggestions on Miro for Be First to review and incorporate into draft disposal criteria.



Above: process mapping with the 'site disposal process matrix' for the CLH-Accelerator, April 2024

Key Findings

Key findings were as follows:

100% quality bid criteria

A strong message from the private sector workshop had been that they anticipated the sites to be of 'nil value', given the combination of low land values in LBB, physically constrained sites and high construction costs. We discussed how including a separate cost criteria could skew the bid to award to highest financial offer alone, rather than the robustness of the community-led proposal / social value benefits.

Our discussion led to the proposal of a 100% quality assessment, with a financial appraisal to be included as part of the quality criteria. The financial appraisal would ask bidders to demonstrate how they arrive either at an asking price or confirm nil value. Bidders would then be scored on the quality of the viability assessment to ensure a robust / de-risked process.

Community-led strategy

A key finding from our community research and workshop was that there are a very limited number of CLH groups in the Borough ready to bid for the four sites. Therefore, rather than dictate a particular community-led housing model that all bidders must work to, the discussion led to proposing a more flexible approach of asking bidders to address the community-led housing strategy as follows:

1. Describe the community-led housing model you're proposing and why - how does it address local need / respond to LBB's social value criteria / respond to statutory planning framework?
2. Describe the community engagement strategy you are proposing. What will you commit to and how will you report on this process?
Set the strategy out to following stages: delivery (design and criteria for allocation), building capacity for handover, handover / ownership

Private sector-led delivery process

Phase 1-4 workshops had identified that there is little to no resource capacity for LBB to have long-term involvement i.e. through a partner or development manager structure. Instead, LBB are the vendor seeking a preferred bidder from the private sector. There is also a reality that funding for CLH is not as prevalent as it once was, so there must be a focus on the private sector to support.

LBB / Be First to therefore make clear, inviting introduction to the bid documents to maximise potential capacity and invite bids from different private sector scenarios e.g. small-scale specialist developers, housing associations or contractors.

LBB and Be First Stakeholder Workshop 2

30.04.2024

Key Findings

Key findings were as follows:

Overview of your proposed scheme / community-led strategy

- Don't necessitate communities involvement at this stage in the bid process
 - protect their time early on and leave open for community groups to come together
- Manage expectations of community - clearly set out agency for community within the bid proposals
- Social value has to be scored - make it really clear in the wording
- Bidders to demonstrate how proposal addresses community need in terms of affordability and allocation

Project management

- Expectation for pre-app
- Include planning note - only policy compliance will be accepted within the bid
- Consider cost of de-risking site and who pays.
 - If it was the HRA then they'd need to be reimbursed for additional cost.
- Narrow build / construction type expectation

Financial appraisal

- Explanation that given low land values in LBB, 100% quality assessment is considered here to avoid skew of a financial offer that sees award to highest financial offer alone rather than robustness of community-led housing proposal / social value benefits
- 100% quality assessment unusual and could make LBB nervous regarding 'best consideration' for site disposal. Could bid criteria be reformatted to suggest 85:15 split quality:financial appraisal?
- Include data in cabinet report paper as evidence base to justify potential 100% quality assessment.
- Data to be realistic: site value plus delivery. Use realistic construction cost figures. 'Looking at the market now, this is what we think the residual land value is...'
- Include an overage clause within the heads of terms that caps any profit with returns to LBB

Next Steps

Following review of the draft disposal criteria with LBBB and Be First stakeholders in April 2024, the next steps for Be First in terms of releasing the sites for community-led housing via the SSB portal are as follows:

- Agree disposal criteria and bid assessment criteria, including heads of terms. To be achieved through continued LBBB / Be First internal review and consultation.
- Prepare Gateway 2 report and take through LBBB / Be First internal governance processes
- Prepare Cabinet Report for approval
- Once approved, prepare information for upload to the SSSB portal, including: land particulars, technical information packs, planning information, report on title, legal information and bid assessment criteria
- Target October 2024 to have first three sites uploaded to the portal

In parallel to the above, Be First are also progressing site preparations such as demolition of garages. These demolition works are subject to DHLUC approval for Be First to use DHLUC capital funding for this purpose. At the time of writing, DHLUC's approval decision has been delayed due to the pre-election period ahead of the UK's General Election called for 4th July.

Draft Disposal Criteria					
Evaluation Criteria Summary					
	Criteria	Key requirements	Score		
Quality	1	Relevant experience	Please provide a summary of relevant past projects and experience in community led housing and development	15%	100%
	2	Overview of your proposed scheme	Please explain the proposed scheme design for your chosen site including: <ul style="list-style-type: none"> • Design principles • Outline feasibility • Response to technical pack • Design and construction standards to be incorporated • Schedule of accommodation 	25%	
	3	Community Led Strategy	Please explain the proposed community led housing strategy including: <ol style="list-style-type: none"> 1. Forming/identifying the community 2. Participation during delivery 3. Handover of the homes 4. Long-term ownership/management/stewardship Please provide a summary of the ways in which the proposed community led housing strategy achieves social value	20%	
	4	Project Management	Please set out how the project will be managed, the stakeholders and consultants involved and your project programme, showing credible timescales for key stages of planning, construction and completion.	25%	
	5	Financial Appraisal	Please provide an 'open book' viability assessment/appraisal, including the key cost and value assumptions. This should include a residual land value for the site (this will not be assessed as a financial offer but any residual value will be expected to be paid to Be First as part of the land transaction). Set out your approach to funding the scheme, including indicative sources of finance.	15%	

Above: draft disposal criteria summary, April 2024

Reflections

Reflecting on the CLH-Accelerator process, there were notable successes which we have set out against the project objectives below.

Ensure that community-led housing meets LBBB's social, economic and political objectives

Conversations with LBBB and Be First established a clear understanding of their corporate objectives for community-led housing in the borough that went on to inform the proposed site disposal process. For example, the decision not to dictate what form of community-led housing model bidders should work to, in order to maximise the opportunity for an open call within the borough and respond to the LBBB's tagline: 'no one left behind'.

Increasing awareness of community-led housing amongst LBBB residents

Early community outreach made contact with local community groups who subsequently came to the public community workshop, such as members of BD Giving and Thames Life. At the public community event we presented what community-led housing could mean and look like in the context of LBBB's corporate objectives. We heard from a wide range of voices to learn about what LBBB residents would want to see from community-led housing in their borough.

Accelerate the time taken for groups to be in a position to bid for sites

Engagement findings highlighted specific key areas where CLH could make the most positive contribution to groups in LBBB. For example, conversations with both LBBB / Be First stakeholders and local residents identified a need for affordable homes for younger people so they could move out. This need could be supported by a CLH model such as a Community Land Trust where homes are sold at discount market sale and protected in perpetuity. Knowing where to focus needs, types and tenures will deliver more social value and more homes more quickly.

Use the support and insight of a focus group of private sector specialists who are experienced in delivering small-scale development

Given that funding for community-led housing is not as prevalent as it once was, this accelerator programme strategically chose to focus on the private sector for support and insight. For this CLH-Accelerator, this informed a decision to focus on a private sector-led delivery mechanism due to LBBB / Be First's limited in-house delivery resources.

Support LBBB in aligning with the Mayor's position in the London Housing Strategy to 'support small builders, housing associations and community-led organisations to access publicly-owned small sites'

This CLH-Accelerator project in LBBB can be seen as a pilot that has tested a method for speeding up the process of facilitating community-led housing. Through this project, we have increased awareness of CLH within the local community, identified LBBB's corporate objectives and areas of housing need that could be supported by CLH, and gained valuable insight from the private sector as to how the process of bidding and delivery can be de-risked.

These learnings provide a knowledge base that will guide and propel LBBB's final stages of releasing their four sites for community-led housing. We have also identified a number of 'lessons learnt' that will refine the template process that could be adopted in other local authorities.