

APPENDIX A

Housing Investment Strategy 2025 – 2030

Delivering Quality Homes

*‘Our aim is to ensure Camden has enough **decent, safe, warm, and family-friendly housing** to support our communities’*

Introduction

There is a nationally recognised crisis in the supply of housing, this is most acute in London and at its very sharpest in inner London boroughs, including Camden. Currently there are over 8,000 people on the housing waiting list and numbers of people in temporary accommodation who are unable to find any home at all have more than doubled since 2016.

In total more than 183,000 Londoners are estimated to be homeless and living in temporary accommodation arranged by their local borough. This is the highest-ever level of recorded homelessness in the capital – equivalent to at least one in 50 Londoners¹.

This crisis is one of supply and affordability. Private sector rents have skyrocketed. In Camden the median private monthly rent for a two-bedroom property is £2,500², against a median borough annual income of £45,000 for two working age adults and 26% of

households earn less than £30,000³. These figures simply do not add up; the monthly take home pay for those 26% of households being less than the median private monthly rent for a two-bedroom property. The market for home ownership is out of reach even for higher earning families with the median price for a home being £880,000.

It is therefore essential to own, build and acquire the *right kind* of homes to best meet the needs of residents in the borough.

Those who do have homes are also not always appropriately housed, with 10% of households living with overcrowding, with rates as high as 25% in some wards. 20% of homes in the private rented sector, and 9% of Council homes do not meet the Government’s Decent Homes Standard.

Camden is a large landlord with over 22,000 social rented homes. Ensuring these homes are good quality and family friendly makes the largest contribution to meeting the housing

¹ *London’s Homelessness Emergency*, October 2024

² GLA London Rents Map, March 2024 update

³ *We Make Camden State of the Borough Report* 2024

needs of our communities. Our Housing Investment Strategy unites our ambitions on the delivery and acquisition of homes with our ambitions and on stock improvement. This is because these ambitions combine to meet our We Make Camden ambition that the borough has enough ‘decent, safe, warm and family-friendly housing to support our communities’.

Emphasis is rightly placed on ‘the right kind of homes’. In our stock profile for instance there is a particular need for family size accommodation which is underrepresented. This is why we launched the Family Friendly Homes Programme in 2023, which already has brought 11 larger homes, adding 14 bedspaces, into our stock supporting families who otherwise would not have been allocated a home that meets their needs.

We have also acquired 209 homes to add to our stock and use to support vulnerable families.

We are also building the next generation of Council homes, building on the legacy of the innovative Camden architect’s department in the 60’s and 70’s and its previous acquisition programmes. So far, the Community Investment Programme (CIP) has also built 618 council homes, housing 1500 people.

We have also improved our stock with decency numbers managed down from 24% in 2017 to current figures (9%).

This strategy outlines the next five years of work to deliver our We Make Camden ambition.

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Camden aims to achieve **long term net growth** in its' housing stock while **improving the quality** of our homes

Our Housing Pledges

The Council recognises that the severity of the housing crises is changing the way it needs to provide housing. The Council has a range of housing programmes which need to be guided by a common set of principles to ensure they are clearly working together to achieve the borough's ambitions, while allowing necessary pragmatic decisions to be made. This Housing Investment Strategy will ensure our various programmes for management and addition to the housing stock are guided by a common purpose.

These guiding principles are our three housing pledges:

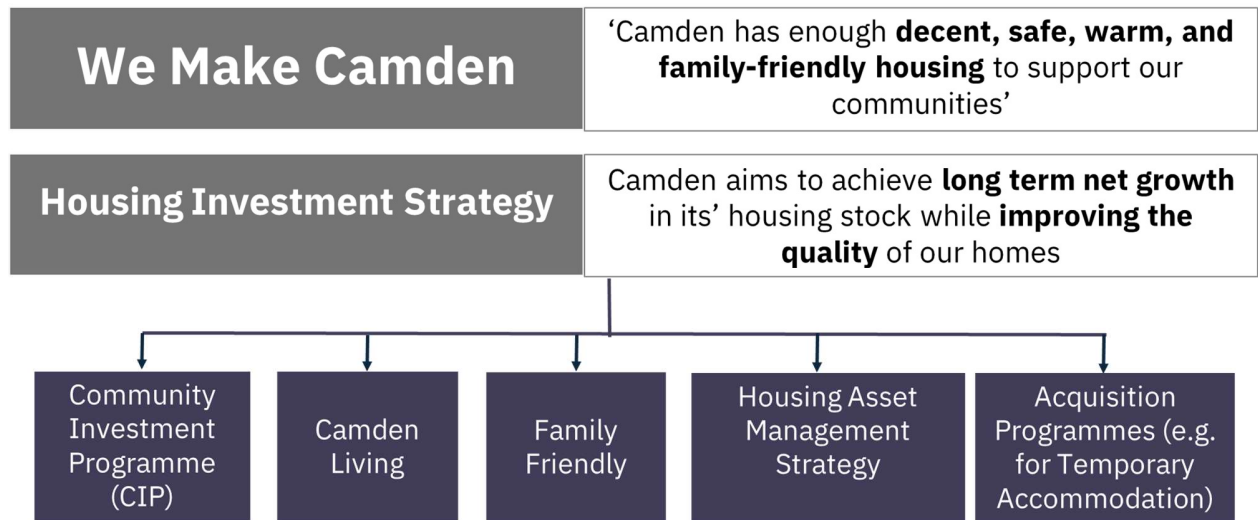
*We will drive **long term growth** in Council owned housing*

*We will **improve the overall quality** of the Council's homes so they are **modern, accessible and energy efficient***

*We will **actively manage and adapt** our housing stock to **respond to local housing needs***



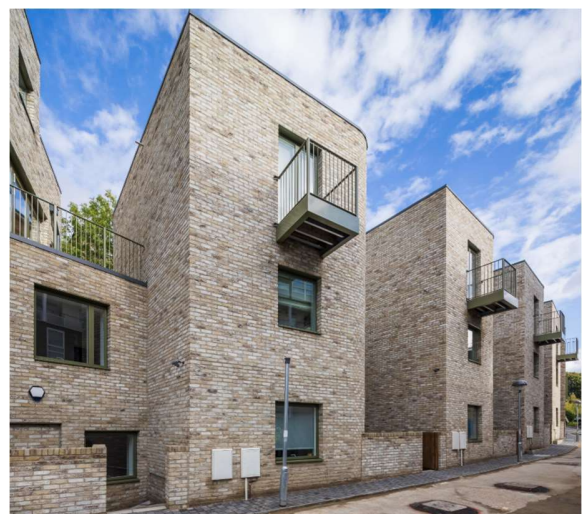
Housing Investment Strategy Structure:



This strategy sits beneath the We Make Camden vision and brings together a range of Council programmes related to the management, growth and diversification of our housing stock.

net growth in the housing stock, that they will deliver improvements in the overall quality of homes and that our homes are more suited to the needs of local residents.

It will create a holistic means to assess the overall housing stock; in numbers, size and quality, and ensure that the Council is well placed to make informed and pragmatic decisions where it needs to amend programmes to respond to local needs and ensure that the Council is making the best use of available resources. Collectively the Council expects that the programmes under this strategy will ensure the Council achieves



*We have **directly built over 618 new council homes** helping to house over 2,000 people and moved 450 children out of overcrowded housing.*

Community Investment Programme

Building New Homes:

Camden's Community Investment Programme (CIP) is one of the largest and most successful municipal house building programmes in the UK. As of April 2024, Camden has delivered over 1,700 new homes, 70% of which are affordable. This includes social homes, hostels and other homes for affordable rent and private sale.

The homes we have built have supported over 2,000 residents into new, bigger, safer and warmer homes and moved 450 children and their families out of overcrowded housing.

We're also supporting our borough's most vulnerable by building temporary accommodation for homeless families, single homeless people, people with complex and multiple needs, and people with social care needs.

By the end of the current CIP Programme Camden will have built 4,850 homes, including 1,800 social rent homes, as part of a total investment of £2.3bn in Camden's communities.

The Council will explore all available opportunities to develop future programmes for subsequent years.



Investment in CIP:

A key pledge of CIP is that the programme needs to be self-funding. As of April 2024, CIP has spent £1.272bn and brought income of £1.260bn. This is a snapshot in time, and including the future approved pipeline the overall programme is earmarked to be break even, delivering on the self-funding pledge.

CIP's total grant allocation from the GLA is £114m, of which £86.6m is from the GLA's Affordable Housing Programme 2021-2026 for projects starting on site by March 2026.



Value Creation:

CIP is increasing the value of the Council's asset base by building more modern, spacious and sustainable homes as well as income generating assets such as the workspace at Liddell Road

Where there is demolition, we are replacing with high quality homes that meet the local housing needs.

The new homes create additional rental income. On completion of the current programme 1,800 new social rent homes will generate c£9-11m per annum in gross rental management costs of circa £7m per annum.

Residents living in CIP properties experience far lower energy bills with residents at Agar Grove spending 70% less on heating than in their old properties.

The programme also delivers wider community benefits through improvements to wider estates, community facilities or schools. We've built 4,516m² of community space through the programme so far, and made £3m in investments in local schools.

CIP guiding principles:

CIP is guided by a set of core Principles, developed since 2010 through the Council's experience working with our communities.



*Camden Living is our way of helping people who may not qualify for a council home but who struggle to afford the cost of renting or buying on the open market, **helping to maintain Camden’s mixed communities.***

Camden Living

Camden Living Group Ltd is a Camden Council owned company group set up to improve housing opportunities and provide genuinely affordable rented housing in the Borough. We provide rented homes that are significantly below the market rent.

It's our way of helping people living and working in the borough who may not qualify for a council home but who also struggle to afford the cost of renting or buying on the open market. These homes help maintain Camden’s mixed communities and provide greater security to tenants than the private rented sector. All our homes are funded by Camden Council’s Community Investment Programme.



Operational Arrangements:

Camden Living Limited (CLL) was set up by the Council in 2016 to widen housing opportunities for Camden residents, with its initial focus on offering new CIP homes for intermediate rent.

In 2022, Cabinet agreed to set up a group of companies with a holding company; this allows it to be a Registered Provider and continue to offer homes intermediate and private rent. The application for one sub-company to become a Registered Provider is being made to the Regulator for Social Housing.

CLL currently manages 65 homes for intermediate rent, 48 homes for private rent and 34 homes for refugees.

The Camden Living model enables CIP to build out schemes without having to draw on HRA borrowing. It can also purchase homes using a Council loan from the General Fund.

However, while the Council's General Fund currently has more borrowing headroom than its HRA, capacity to fund loans to Camden Living is nonetheless limited and must be balanced alongside other non-housing priorities for capital expenditure.

Future Plans:

The aspiration is to grow Camden Living's operations organically over the coming years, with an ambition to grow the Camden Living housing stock to up to 1,000 homes.

The Camden Living group will develop its Business Plans and show how it can support the Council's objectives for Affordable Housing in the borough.

The working objective over the next 5 years is for Camden Living to acquire:

- 300 homes developed through CIP, funded through the General Fund
- 200 homes funded through a range of means including Section 106 grants

Criteria for Acquisitions:

Camden Living may acquire homes from the Council, as indicated in the Housing Asset Management Strategy and where this enables the Council to retain ownership of homes.

This would be subject to a case-by-case review, however the general principles guiding acquisitions for Camden Living are that homes must:

- Provide a level of quality suitable to the proposed tenancy terms
- Satisfy a business case to show that the management of the home would be at least cost neutral
- Be within the London Borough of Camden
- Meet the current strategic aims of the organisation, especially in terms of growth targets, and funding availability

Family Friendly is our approach to alleviating overcrowding and increasing our supply of family sized homes, to ensure children have the best start in life.

Family Friendly

The Family Friendly programme was approved in December 2022 and launched in 2023. It aims to tackle overcrowding in the borough by increasing the supply of social rent council homes with two or more bedrooms so that overcrowded families with children on the housing register can move to a more spacious home.

This responds to observations about the poor outcomes for children living in over-crowded homes, the high proportion of over-crowded homes in the borough, and the relatively low proportion of family homes in the council's social housing stock.

Over 40% of Council homes are studios or 1-bedroom flats, while most of the demand on our housing register is for 2 and 3 beds, with a shortage of larger properties.

The programme is due to be delivered over 5 years, between 2023 and 2028, and will involve the sale and purchase of up to 280 homes respectively and provide up to 410 additional bedspaces.

It is funded through releasing approximately 280 social housing studio or 1-bedroom flats or other unsuitable properties. This includes a small number of homes that have very high refurbishment costs.

As of October 2024, the programme has yielded the following results:

Results	No.	Bed spaces
Homes sold	7	30
Homes purchased	11	44
Total	+4	+14

Through the sale of some homes with very high investment needs, the council has also avoided just under £3m in costs.

Family Friendly Pledges:

1. We will directly tackle overcrowding by buying back an estimated 280 family sized homes over the next 5 years – homes that were sold under the Right to Buy.
2. Our programme will provide a gain of up to 410 additional bedrooms, depending on properties available on the market.
3. We will fund our programme by selling a limited number of homes which are too small for families, empty homes that need so much money it would be better to buy a new home, or homes that do not provide good housing for our residents.
4. We will individually assess every home that might be sold and determine the best outcome for our residents – every penny will support our family friendly programme.
5. When we sell a property we will advertise locally and also check if our Council owned company 'Camden Living Ltd' can buy the property so it can provide high quality rented homes.
6. We will preserve the mix of tenures across our streets and wards by making sure we buy back family sized homes in all parts of the Borough.
7. Where we hold the 'freehold only' on properties we will give resident leaseholders first opportunity to buy the freehold.
8. We will work with our overcrowded households to find solutions while they wait for a larger home.
9. We will look at new solutions to help those who are under occupying homes to find a suitable smaller home



Quality Homes is our approach to fund essential investment in our homes, through the release of a limited number of poorly performing homes

Housing Asset Management Strategy

The Council is one of London's largest providers of social housing, with a stock of over 22,000 social rented homes and 10,000 leasehold homes making up about a third of all homes in the borough. It has a very diverse portfolio with many homes in conservation areas that were built over 100 years ago, iconic estates developed by Camden architects in the 1960s to the 1980s, and those acquired over the years from the Greater London Council and on the open market when the Council stepped in to purchase and convert street properties that needed investment. In recent years, the Council's Community Investment Programme has added a range of high-quality, energy efficient homes that meet modern standards.

The Housing Asset Management Strategy 2025-2030 sets out the Council's approach to investing in these homes to ensure that they are safe, warm and dry and can demonstrate compliance with all necessary regulations. The main aims of the strategy are to:

- Make sure the Council can meet regulatory requirements
- Generate resources for investment in Council homes
- Identify the best option for homes that provide poor accommodation or have very high investment costs
- Increase the number of better-quality homes for residents and meeting priority needs on the waiting list

The Housing Asset Management Strategy sets out the Council's investment priorities over the next 5-years and sets a plan to invest £670m in its homes.

The Quality Homes programme, part of our Housing Asset Management Strategy, is Camden's mechanism to manage necessary changes in its stock profile, to enable it to ensure it can provide quality homes that meet residents' needs within its financial means.

It also needs to ensure that it has the financial resources necessary to ensure homes are safe, warm and dry and that it can demonstrate regulatory compliance.

In the past 5 years, the Council has invested an additional £200m in fire safety, while losing £168m in rent through government caps. It has already committed all future capital budgets until 2028 to fund current work. Consequently, it faces a £300m investment gap for the 5 years ahead.

Under the new Consumer Standards set out by the Regulator for Social Housing, and Building Safety Standards set out by the Building Safety Regulator, the Council must demonstrate how it can fund this gap and ensure homes are maintained to the right standard. Non-compliance could influence grant allocations for new homes.

Separately, our asset review highlights a small proportion of homes which require exceptional levels of investment and do not represent good value for money for tenants.

The Asset Management Strategy is that plan to achieve those standards.

The Quality Homes programme will be focused on reviewing poorly performing properties; the Council has a small number of homes which have investment needs which are unsustainable, and which do not produce good outcomes for residents. The work required to these homes is usually to remediate serious damage (for example major structural works) and tend to bring homes back to an acceptable level, rather than bringing long term improvements.

The Council has developed an asset performance evaluation model (APEM) to summarise the overall financial sustainability and quality of its homes. This will be used as part of an Asset Review process, with the general aim of releasing about 290 homes.

The funds will be used to ensure Camden can continue to make essential investments in its existing stock with the following outcomes expected by 2030:

- Complete all fire risk actions and make provision for further works which we anticipate will arise from the completion of Building Safety Case Files to high rise buildings.

- Ensure all tenanted homes fully meet the provisions of the Decent Homes standard.
- Make suitable investments in M&E systems, especially communal heating
- Attend to capital repair works which put homes at risk of disrepair.

A set of principles are set out in the Housing Asset Management Process, and the details of the asset review process. These were developed to ensure delivery of the strategy balances financial returns with considerations for current residents and housing needs in the borough.

This programme will support long term growth in the housing stock by making sure the Council makes best use of its resources, and that it is able to secure grant for new homes by being compliant with regulatory standards. The growth in new or more suitable homes will be secured through the Community Investment Programme, the Council's new Registered Provider – Camden Living, and the continued operation of the family friendly purchase programme.

*Camden has a **housing waitlist of over 8000 people** and more than one child in every classroom in temporary accommodation.*

Acquisition Programmes

Over the past few years, the Council has operated several rounds of acquisition programmes, mainly to provide additional homes for temporary accommodation and refugee housing.

In the past few years 209 homes have been acquired for temporary accommodation and 98 for refugee housing. The programme targets the acquisition of homes in blocks where Camden is the freeholder, including purchasing some homes in new build schemes which were originally intended for private sale, such as at Agar Grove and Highgate Newtown.

The Council has had great success in securing grant funding to support these programmes, and these acquisitions have been achieved at no net cost to the HRA.

Future rounds of the programme would be subject to securing additional funding.



