

Tower Hamlets Affordable Self-Build Programme

Bid Guidance Pack

February 2022 Update



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1. Introduction to the Affordable Self Build Programme

What is Affordable Self-Build?

Self-build housing is where individuals or groups of individuals directly organise the design and construction of their own homes.

Through the Affordable Self-Build Programme, the council aims to make it easier for potential community led housing groups and individual self-builders to access the land they need to deliver more affordable housing in the borough.

As a community led group or individual self-builder you will be actively involved in acquiring land, getting planning permission, designing, building and managing your own home(s). You could do all the work yourself, or you can commission an architect to design the building and appoint a builder to build it.

Anyone can start a community led self-build group. You might be a group of friends or family, neighbours with similar interests or values, or members of an existing community group who want to build affordable housing to meet your needs.

As a group you might be interested in cohousing or other ways to live together collectively, or in providing secure, affordable housing for you and your community, for example by starting a housing co-op. There are lots of different options for how you might design and manage a self-build housing project, whether as a group or an individual household.

How sites will be released?

Sites are being released through a competitive bidding process via the GLA Small Sites Portal.

Bidding for sites is open only to community-led groups/organisations. Where sites can only accommodate a single housing unit, bids will also be open to individual self-builders.

Sites will be awarded to the highest scoring bidder, with bids scored 80% on quality (value

to the council, community benefit, deliverability, design innovation etc) and 20% on the financial proposal for the site. More information on how bids will be scored can be found in section 3.

The council will prioritise schemes that maximise affordability in perpetuity. The inclusion of affordable rented tenures will be seen favourably. However bidders should be aware that the council will not take on the management of these rented units. The council will also prioritise proposals that optimise the density of housing on council land, in line with planning policy.

Once a preferred bidder is selected, the disposal of the land for self-build will be by way of a grant of a long lease (250+ years). The disposal will also be subject to planning permission and the availability of finance to the self-builder.

The diagram on page four describes how the process will work. Further details on the proposed Affordable Self-Build policy can be found at www.towerhamlets.gov.uk/self-build

Delivering affordability in perpetuity.

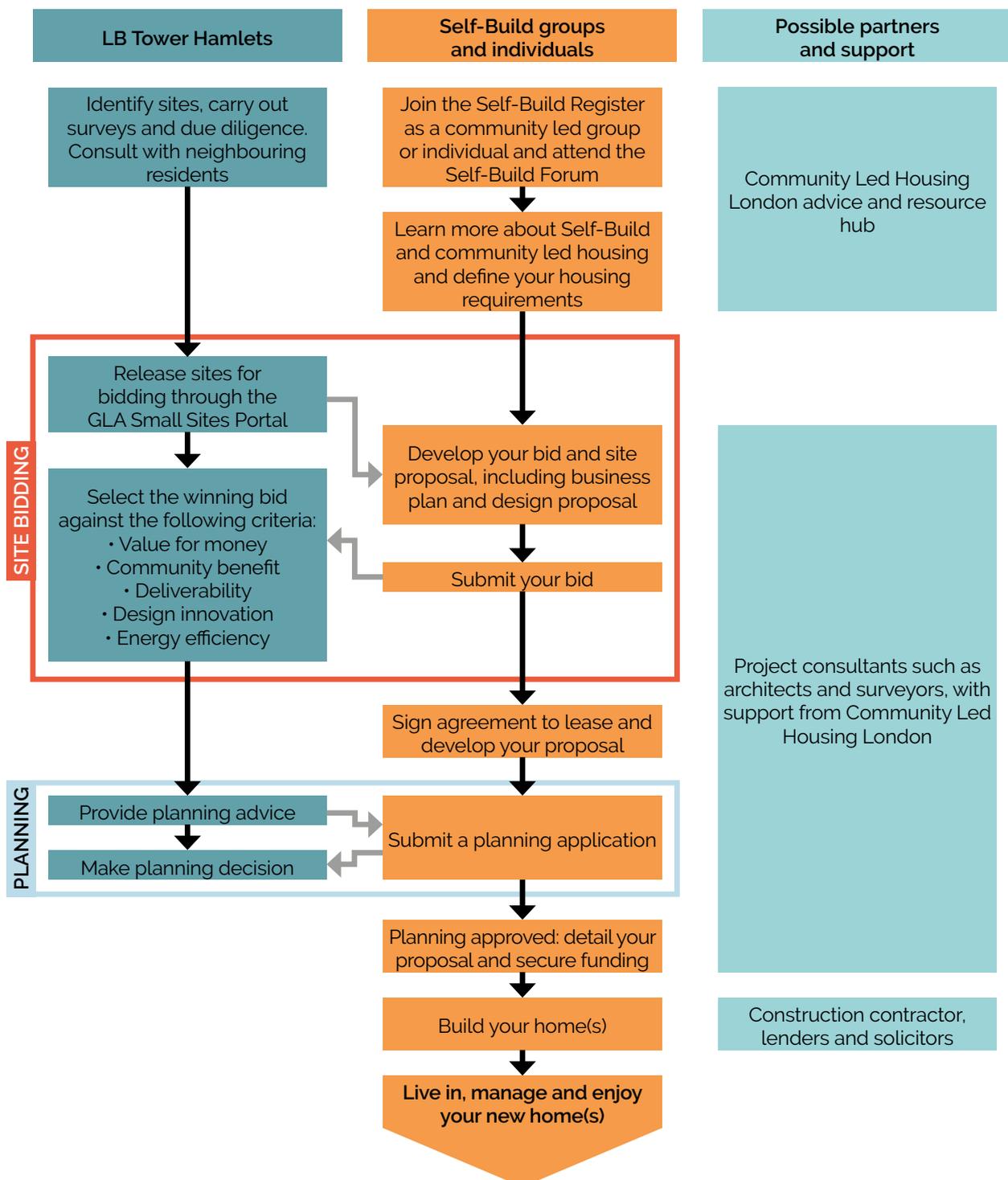
To maximise the number of homes built through this programme that are genuinely affordable and meet the needs of borough residents, the council will apply the following measures:

1. A weighting system in the bid scoring methodology that prioritises applications that maximise the delivery of homes at affordable tenures recognised by Tower Hamlets (rental or ownership), or contain allocation policies for residents whose income is closer to the average household income in the borough.
2. A requirement for prospective bidders to demonstrate future residents' need for affordable housing in line with existing council policy. This means:
 - i) For each bidder, you should demonstrate the particular housing need(s) of your intended household(s), detailing how you will meet those needs through proposed design, tenures and levels of affordability in your proposed scheme.
 - ii) Each bidder must submit an allocations policy detailing how affordable units will be allocated to meet their identified need.

iii) Once planning permission has been granted, each household intending to occupy the affordable units within the proposed scheme will be required to provide financial evidence (e.g. via credit checks and references).

3. The affordability within the scheme will then be protected in perpetuity for any future sales or lettings through the Section 106 agreement and leasehold covenants on the property.

Process for prospective self-builders



2. The Bidding Process

Who is eligible to bid for sites?

You must be a community led group or organisation, OR a named individual if proposing to build a single housing unit, to bid for sites through the Affordable Self Build Programme. As a community-led group you should be legally incorporated, or be intending to incorporate soon, with an established governance structure. Any groups or individuals must be intending to live in the proposed homes as their primary and only place of residence.

You do not have to be a Tower Hamlets resident to bid for sites through the Programme. However points will be awarded in the assessment process for bids proposing to house people currently living, working or with a connection to the borough.

Structuring your bid.

Your main bid submission should be no longer than 15 pages and be structured around four key elements as below. Any additional information should be structured and included as an appendix.

See separate document: *Bid Scoring Criteria* for a detailed breakdown of the 4 sections and how they are scored. Below a summary of the 4 sections, including, but not limited to::

1. Scheme Overview

- Your information, including: Group (or individual) description; your vision and objectives, legal incorporation and governance structure.
- Your group's connection to London Borough Tower Hamlets.
- Benefit of the scheme to the local community and the identified housing need that is being met.
- Value to the council and how the scheme meets council key policies and strategic objectives,

2, Technical proposal: an overview of the design of your proposed scheme:

- Design principles and standards in response to the group's vision.
- Drawings showing the proposed layout and massing of your scheme, demonstrating how you are: Making the most efficient use of the sites; Integrating the proposals with the locality and local features, in terms of layout and massing; Demonstrating innovative and creative ways of overcoming constraints.
- The anticipated number of residential units and associated square metres of development, broken down by tenure and type.

3. Deliverability,:

- Group capacity and experience, including identified partners and consultants
- Proposed development timeline.
- Finance and fundraising strategy (including letters of support/intent to lend from lender if you have them).

4. Financial proposal:

- Your financial offer conditional on obtaining planning permission and development funding and subject to the contractual terms proposed for the site.
- A financial model for the proposed scheme indicating the number and mix of units, the mix of tenures and levels of affordability, detailed breakdown of expected costs and revenues.
- Key cost and value assumptions you have used to form the basis of your financial offer, including: total Scheme Revenue; total Scheme Costs (excluding net residual land price, but including acquisition costs); total Developer Returns; total Finance Costs; finance Rate undertaken to mitigate those risks.

How bids will be assessed.

Bids will be assessed in accordance with the Bid Scoring Criteria (see separate document) by a panel of Council and GLA representatives and independent experts.

We will be looking for proposals with:

- An intention to make the most of the site in terms of residential accommodation, the affordability of units, the range of unit sizes and typologies.
- A good understanding of urban design principles, which integrate into the locality and respond to local context, in terms of layout and massing.
- A well-considered design approach, with innovative and creative ways of overcoming constraints and making the most of the site.
- A well-considered approach to environmental sustainability in the design, construction, and ongoing life of the housing.
- Good ideas on involving local communities and future residents, to turn 'new development' into homes for neighbours.

A clear and fair approach to housing allocation which prioritises households with a connection to Tower Hamlets, and ensures any affordable housing is allocated based on need and ability to pay.

What happens next?

Once a preferred bidder has been selected, they will be asked to enter into an Agreement to Lease (see separate document) and begin detailing their proposal and seeking planning permission and development finance.

Once planning permission has been granted and finance agreements are in place, the Council will transfer ownership of the site to the named organisation/individual by way of a 250 year lease.

Both the Lease and Agreement to Lease allow the Council the right to retain ownership of the site(s), should the scheme fail to be delivered on time or in accordance with the original proposal (particularly with regard to affordability).

3. Available Support

121 meeting with Council officers

The Council will be offering 121 meetings with Council officers half way through the bidding process. This will be an opportunity for prospective bidders to address any queries they may have in relation to the site(s), bidding process, lease or next steps.

Details of the date and times available, and how to book will be communicated via email to residents on the self-build register. Register here: www.towerhamlets.gov.uk/self-build-register

Council Self-Build Team

The Mayor of Tower Hamlets is committed to supporting self-build housing in the borough. To support this initiative we have created the position of Co-Housing and Self-Build Projects Manager whose job includes being available as a first port of call to assist anyone interested in self-build or co-housing in the borough. To get in touch contact self-build@towerhamlets.gov.uk

Community Led Housing London Resource and Advice Hub

Community Led Housing London offer focused, pragmatic and tailored support to set your project off on the right foot, and ensure it is effectively cliented at every stage. This might include help thinking through legal and governance structures, ways to develop the homes, accessing funding and modelling finance, and long-term management.

They will be able to offer a focused package of support for groups looking to bid for Tower Hamlets Self-build sites. The cost of this will be on a predefined per-unit basis and recoverable from the project at start on site if you are successful. The GLA's current Community Housing Fund is unlikely to be available for early stage project development, although we can let you know about other funding and finance that may be available.

Visit www.communityledhousing.london for more information.

5. Supporting documents

To support bidders in preparing their bids, the following documents are available to be downloaded from the site listings on the GLA Small Sites Portal. If for any reason you are having trouble accessing these files, please contact self-build@towerhamlets.gov.uk for support.

Site particulars

Provides a summary of information about each individual site.

Technical due diligence

This contains a number of documents including technical surveys, used to aid the architectural and financial work of the bid.

Planning statement

This is a formal response from the Local Planning Authority outlining the planning policy requirements any future development on the promoted sites would need to comply with.

Title report

This details the specific rights of ownership, access, easement and other entitlements or restrictions that may apply to the site in question.

Site photos

Recent photos of the site from street level and above.

Site boundary

Gives the precise ownership boundary of the site in question.

Sample lease and Agreement to Lease

These are standard contracts under the GLA Small Sites programme and are non-negotiable. As per the conditions, the Agreement to Lease is granted upon the acquisition of full planning approval and funding offer. The Lease is then transferred upon completion of the proposed self-build scheme,

4. FAQs

What type of organisation can bid for these sites?

Only organisations that are community led and not for profit can bid for sites through this programme. This includes Community Benefit Societies, Companies Limited by Guarantee or Cooperative Societies.

I'm an individual, can I still bid for a site?

If a site is realistically only capable of accommodating a single unit then bids from individual applicants as well as community led organisations will be accepted.

In the first round of site releases, the Christian Street site is one such site and bids from individuals will be accepted for this site.

Do I need to have all the money to build a project up front?

No, you do not need to have the finance or funds in place to build the homes at this stage. You will however be required to demonstrate that your proposal is financially viable and that you have a credible strategy in place to finance the project.

Can I build homes to rent or sell to other people?

No. As a self-build programme, the homes you build must be permanently occupied by the named individuals of the organisation that make the bid.

Get in touch

If you would like to get updates on the programme and be notified when the next bidding process opens, sign up on the self-build register here:

www.towerhamlets.gov.uk/self-build-register

You can find out more about the programme at www.towerhamlets.gov.uk/self-build

For enquiries related to this programme update or self-build housing in the borough, please contact self-build@towerhamlets.gov.uk

For further information on Community Led Housing you can visit www.communityledhousing.london

