

Public Document Pack

Housing Select Committee Agenda

Wednesday, 3 April 2013
7.30 pm, Committee Room 3
Civic Suite
Lewisham Town Hall
London SE6 4RU

For more information contact: Timothy Andrew (Tel: 0208 3147916)

Part 1

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Housing Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 3 April 2013.

Barry Quirk, Chief Executive
Tuesday, 26 March 2013

Councillor Carl Handley (Chair)	
Councillor Vincent Davis (Vice-Chair)	
Councillor Anne Affiku	
Councillor Paul Bell	
Councillor Liam Curran	
Councillor Amanda De Ryk	
Councillor Patsy Foreman	
Councillor Vicky Foxcroft	
Councillor Darren Johnson	
Councillor Sam Owolabi-Oluyole	
Councillor Alan Hall (ex-Officio)	
Councillor Kevin Bonavia (ex-Officio)	

Agenda Item 1

Housing Select Committee			
Title	Confirmation of Chair & Vice Chair of the Housing Select Committee		
Contributors	Chief Executive (Head of Business & Committee)	Item	1
Class	Part 1	Date	03 April 2013

1. Summary

Further to the Annual General Meeting of Council on 20 March 2013, this report informs the Select Committee of the appointment of a Chair and Vice Chair of the Housing Select Committee.

2. Purpose of the Report

To issue directions to the Select Committee regarding the election of their Chair and Vice Chair.

3. Recommendations

The Select Committee is recommended to:

- (i) Confirm the election of Councillor Carl Handley as Chair of the Housing Select Committee
- (ii) Confirm the election of Councillor Vincent Davis as Vice Chair of the Housing Select Committee

4. Background

4.1 On 20 March 2013, the Annual General Meeting of the Council considered a report setting out an allocation of seats on committees to political groups on the Council in compliance with the requirements of the Local Government and Housing Act 1989.

4.2 The constitutional allocation for both chairs and vice chairs of select committees is:

Labour: 5

Liberal Democrat: 1

5. Financial Implications

There are no financial implications arising from this report.

6. Legal Implications

Select Committees are obliged to act in accordance with the Council's Constitution.

BACKGROUND PAPERS

Council AGM Agenda papers 20 March 2013 – available on the Council website <http://www.lewisham.gov.uk/> or on request from Kevin Flaherty, Business and Committee manager (0208 3147369)

If you have any queries on this report, please contact Salena Mulhere, Overview and Scrutiny Manager (020 8314 3380)

MINUTES OF THE HOUSING SELECT COMMITTEE

Wednesday, 6 March 2013 at 7.30pm

PRESENT: Councillors Carl Handley (Chair), Vincent Davis (Vice-Chair), Paul Bell, Amanda De Ryk, Vicky Foxcroft, Liam Curran, Patsy Foreman and Alan Hall.

APOLOGIES: Councillors Sam Owolabi-Oluyole, Ami Ibitson and Darren Johnson

ALSO PRESENT: Joseph Dunton (Scrutiny Manager), Madeleine Jeffery (SGM: Housing Strategy and Policy), Louise Spires (Strategy, Policy & Development Manager), Peter Gadsdon (Head of Strategy and Performance, Customer Services), Colin Moone (Housing Options and Assessment Manager), Petra Der Man (Principal Lawyer), Mrs Jacob Da Silva (Leaseholder Representative), Mrs Roberts (Leaseholder Representative), Tim Andrew (Scrutiny Manager), Dave Dayes (RUSS), Alison Potter (Liberal Democrat Political Assistant), Mark Humphreys (Group Finance Manager – Customer Services), Lucy Chitty (L&Q), Debbie Coombs (Family Mosaic), Ted Stevens (National Self Build Association), Dave Smith (East London CLT) and Lina Jamoul (London Citizens)

1. Minutes of the meeting held on 4 February 2013 and matters arising

1.1 Councillor De Ryk updated the committee on the recent visit that she and Councillor Johnson had undertaken to the 999 Club in Deptford. The key points to note were:

- The core activity of the 999 Club is their day centre which is open all year. They do a lot of work in the local community.
- Councillors had undertaken a visit to the night shelter, which is normally open between November and March, which has since closed early this year due to a shortfall in funding.
- There was a welcoming and non-judgemental atmosphere in the night shelter
- The 999 club is not a major charity and does not receive a lot of statutory support

1.2 **RESOLVED:** That the update on the 999 Club be noted and the minutes of the meeting held on 4 February 2013 be signed as an accurate record of the meeting.

2. Declarations of Interest

2.1 Councillor Bell declared a non-prejudicial interest as a Lewisham Homes Board Director.

2.2 Councillor Hall declared a non-prejudicial interest as a Phoenix Community Housing Board Director.

3. In-depth review into low cost home ownership – Evidence Session Two

3.1 The Chair introduced Ted Stevens (Chair – National Self Build Association) who presented a series of Power Point slides on self build to the committee. The key points to note were:

- Lewisham was responsible for igniting the self build movement in the UK in the 1970s and 1980s with the self build homes at Segal Close in the Borough. These

homes were designed so they were simple to build. With builders requiring very little training.

- The Self Build Market peaked around 1997 with almost 20,000 completions per annum
- Research shows that over half of UK residents want to build their own home at some stage, 30% want to do it within 5 years and 400,000 searched Rightmove.co.uk to try and find a plot in September 2012.
- Finding sites is difficult and despite the demand it is likely that very few of those interested will eventually go on to build their own home.
- Self build does not need to be a "Grand Design" – the majority of self build homes are more modest structures including those built in Lewisham
- Self build homes are not necessarily as high quality as those built by Council or Developers however self builders benefit from an enhanced sense of community with self builders living in their homes for an average of 25 years.
- National and regional planning policies, including the National Planning Policy Framework, do now include sections on self build and Ted suggested that councils must measure local demand.
- The local economy can be boosted by self builders hiring in local tradesmen and shopping in local builders merchants.
- Information was provided on a series of self build projects elsewhere in the UK.

3.2 In response to questions Ted Stevens advised the committee that:

- The cost of building a self build home is dependent on the size of the property however a very basic home can be built for between £30,000 and £40,000. Ted suggested that a house could be built to a "social housing specification" for around £100,000 as self builders do not have the other costs and overheads such as advertising and marketing associated with large developers.
- It is relatively straightforward to get a mortgage for a self build scheme however it can require extra administration, and associated fees, as money is usually released in stages so the bank can check on work.
- The Financial Services Authority rules now mean that it is unlikely that councils will be able to offer mortgages. Ted Stevens suggested that he knew of one Council offering a mortgage through an intermediary.
- There is a Greater London Authority (GLA) funding scheme that is seeking applications from groups of self builders.
- There is an opportunity for self builders to lead on the design process but self builders tend to benefit from the help of someone with a knowledge of the construction industry
- Other local authorities (LAs) looking at self build schemes are looking at prioritising those on the housing waiting list but it is possible for each LA to set their own priorities.
- There are a range of options for building including total self build and shell build / self finish where the main work is carried out by builders and the self builders finish the property.
- There is a need to recognise and trust that it is in a self builders interest to build their own home to a good standard and make it work.
- There are a number of options for providing affordable land including Community Land Trusts, groups buying land together and only paying for the land in the event of selling the house.
- There is a need for LAs to be creative if they wish to support self build – the Council can set parameters/criteria to ensure that self build homes are aimed at priority groups.
- Other European countries including Holland and Germany have more self builders than the United Kingdom.

- The length of time it takes to complete each scheme depends on the site and the size of the developments

3.3 The Chair introduced Dave Smith and Lina Jamoul who informed the committee of their work with the East London Community Land Trust (CLT). Key points to note were:

- The East London CLT are hoping to submit a planning application to found London's first CLT at the old St. Clements hospital site in Mile End which will involve working in partnership with the developer Galliford Try.
- The East London CLT is an open membership organisation that local people can join for £1.
- The CLT will own the entire site and collect ground rent from homes to re-invest in the local area. Members will vote on how to spend an estimated £45,000 each year.
- Homes in the CLT will be bought from the developer at the point of sale and sold to CLT members at a rate based on a formula that takes into account median income in the local area. The formula is also applied when selling the property to ensure that homes remain affordable in the long term.
- Buying a home through the CLT may not necessarily be the cheapest option when compared with other products such as shared ownership but it is open to all local residents.
- In order to set up a successful CLT there needs to be an active community group in place – councils can not impose a CLT.

3.4 In response to questions Dave Smith and Lina Jamoul advised the committee that:

- There is no subsidy involved in the East London CLT and they have not been provided with free land.
- The business model is based on the CLT buying properties from a developer at an affordable rate (£142,000 - 70% of market value) and the CLT will then make money over time through membership fees and rents based on their formula.
- Some LAs are considering giving away free land but there are other options including mutual ownership – there is a need to come up with new solutions to longstanding housing problems.
- The East London CLT are currently working on a local lettings policy that will help maximise the availability of affordable housing in the local area by helping people downsize.
- CLTs can help provide permanently affordable housing.
- The East London CLT expect to pay around £3,000,000 for the homes on the St Clements site and they estimate that they could sell them for around £3,800,000 based on their formula. The only funding they will require will be a bridging loan to help buy the land.
- The East London CLT have a close relationship with London Citizens, an alliance of community organising groups, but they are a separate organisation.
- It is unlikely that a high street bank would offer a mortgage but they are confident that they can come up with a solution
- Banks are put off by the position they would be left with in the event of a default but the CLTs position is that they would be able to sell the property on the open market.
- If problems arise the CLT are confident that they will be able to manage them as they want to build an organisation with a community feel and a close relationship with tenants.

3.5 The Chair introduced Ms Jacob Da Silva and Ms Roberts to the Committee. Both are residents of the Passfields Estate and came to give evidence on behalf of

Passfields Leaseholders who had purchased their homes through Right to Buy. Key points to note were:

- Ms Jacob Da Silva had purchased her property in a listed building and she knew that there were upcoming major works at the time of purchase.
- The works started two months late and when completed she felt they were of a poor quality.
- The leaseholders believe that replacement windows had resulted in mould starting to form in the property as a result of increased condensation.
- Painters had painted over mould with water based paint
- Leaseholders had been advised to take up wooden floors and put down carpet to help with condensation.
- Ms Roberts indicated that the elderly leaseholders she represented had to clean their windows on a daily basis to remove condensation.
- A new lift was installed in July 2012 and Ms Da Silva indicated that it has so far broken down on five occasions resulting in families on the upper floors living in fear of getting trapped.
- A entry door system has recently been installed which hasn't worked since January leaving elderly residents feeling at risk from bogus callers.
- Residents were billed for roof maintenance twice in a short period of time.
- The levels of communication from Phoenix were below the levels the leaseholders expected.

3.6 In response to questions on their experience of owning a Right to Buy property Ms Jacob Da Silva and Ms Roberts advised the committee that:

- Ms Da Silva bought her property 5 years ago
- Ms Roberts indicated that there was no consultation prior to major works taking place.
- There are no longer regular public meetings of the Tenants and Residents Association (TRA) where residents can raise issues as the meeting format has changed to drop in sessions.
- Both residents indicated that they had not been told about the opportunity to go through a Leaseholder Valuation Tribunal (LVT).
- Phoenix had supplied leaflets on dealing with damp and mould
- An independent surveyor has been to inspect the properties – residents were led to understand this was on behalf of Lewisham Council.
- Water was switched off in the properties to allow repairs but not all residents were informed in advance.
- Leaseholders indicated that, as they pay service charges, they would expect better levels of communication.
- Ms Da Silva indicated that she has spent between £20,000 and £30,000 on repairs but she believes that the value of her property has not increased and that she would be unable to sell her property.
- Furthermore Ms Da Silva indicated that she has now stopped payments to Phoenix until improvements are made.
- Given her experience to date Ms Da Silva would now re-consider her decision to purchase the property.

3.7 Members of the committee advised the residents to open a complaint with Phoenix through their established complaints procedures and further advised that details of their case would be shared with officers, local councillors and the local MP.

3.8 The Chair introduced Lucy Chitty from London and Quadrant (L&Q) and Debbie Coombs from Family Mosaic to give evidence to the committee on shared ownership. In response to questions members were advised that:

- Owners of a shared ownership / equity property hold a full repairing and insuring lease and their rent is discounted as a result.
- Residents are expected to pay 100% of the cost to rent a property as they have 100% of the usage of the property.
- The rent is used to fund a share of the loan used to purchase the property not to make a profit to fund repairs.
- Shared Ownership is one option for Low Cost Home Ownership and when a purchaser buys a house they are aware of what they are signing up to.
- The Greater London Authority (GLA) are responsible for setting the maximum discount of 75%
- All applicants are assessed by an independent financial advisor
- Rent and mortgage payments can take up no more than 40% a prospective buyer's net income
- Shared ownership should be seen as a springboard into home ownership as purchasers can, and often do, increase their share of the home to 100%.
- Whether a shared ownership option can be considered low cost changes depending on the fluctuations of the private market.
- Whilst rental charges may rise over time it is anticipated that incomes will also increase.
- The maximum and minimum income levels required to be eligible for a shared ownership scheme changes depending on the product in question however indicative figures were provided by L&Q who stated that for a 25% share in a 1 bedroom property in Lewisham an income of £28,000 per annum would be required which was above local median income. The maximum income level to be eligible for the L&Q scheme is £60,400 for a one bed property and around £70,000 for a 3 bedroom property.
- Other criteria to be eligible for a shared ownership scheme are set on a development by development basis. These can also differ depending on the borough and can be set to give priority to groups such as key workers, Ministry of Defence personnel, social tenants or local residents. Many schemes choose to gradually widen these parameters over time to ensure that the houses are sold.
- Prospective purchasers now apply directly to each scheme as the HomeBuy scheme has now been replaced.
- Homeowners in financial difficulty are referred by Family Mosaic to a credit control team who can offer information, advice and guidance; help with managing arrears; advice on selling a home; and advice on stair casing down to a lower ownership share or to a normal tenancy arrangement. Residents are referred after independent financial advice.

3.10 **Resolved:** The evidence presented to the committee be noted and the information provided by the Passfields Residents be shared with Whitefoot ward councillors, Council officers, the local MP and Phoenix Community Housing.

4. New Arrangements for Social Housing Complaints

4.1 Peter Gadsdon introduced the report. The key points to note were:

- The Localism Act 2011 has introduced changes to the way complaints against social landlords are handled prior to referral to the Housing Ombudsman (HO) – once a complainant has exhausted the Council / Arms Length Management Organisation (ALMO) / Housing Association (HA) complaints procedures a referral

to the HO must now come in writing from a designated person (DP) unless the complainant waits for a period of 8 weeks.

- A DP can be any elected member of the Council, a local MP or a tenants panel.
- The report recommends that the chair of the Housing Select Committee (HSC) and two additional members of the HSC are appointed as the main Designated People in Lewisham in order to create a system that is easier for residents to understand.
- Conversations with the top 9 partner HAs in Lewisham have lead officers to conclude that they are not considering setting up a tenants panel and Lewisham Homes are not currently planning to do so either.
- Based on current trends officers would expect to see 20 complaints referred to a DP each year.
- The report advises that corporate complaints will support the Designated Person in their role.

4.2 In response to questions from the committee members were advised:

- Corporate complaints can support any member acting as a designated person in relation to a social housing complaint.
- MPs have not been approached to take on the role of main designated person.
- Under the Localism Act all members are designated people.

4.3 **RESOLVED:** The report be noted; the chair of the housing select committee to act as the main Designated Person and the remaining members of the HSC will act as designated people where there is a conflict of interest or the chair is unavailable.

5. Annual Lettings Plan 2013-14

5.1 Colin Moone introduced the report. The key points to note were:

- In 2012/13 the Council expect to house a total of 1774 residents on the housing waiting list. 20.1% of these residents came from band 1 of the housing waiting list, 25.7% from band 2, 32.9% from band 3 and 1.7% from band 4.
- Lewisham are nearing completion on large decants at Heathside and Lethbridge, Excalibur and Milford Towers.
- In 2013/14 the Council expect to house 1515 households in total.
- Lewisham are currently accepting more applications in band three of the Housing waiting list than they are housing each year.
- Lewisham are housing households more than many other boroughs in London.
- Appendix 8 of the report provides a breakdown of the demographics of the households that have been housed in the period between April and December 2012.

5.2 In response to questions from the committee officers advised that:

- Members of the armed forces are categorised under “any other band 1” in the report.
- Households on the waiting list may be staying in a number of locations including Bed and Breakfast accommodation, in their current home, in private sector rented accommodation or a hostel.
- The exceptional cases referred to in the report relates to those on the waiting list who have been taken out of turn and moved quicker than expected.
- “Priority homeless” refers to any household on the housing waiting list.
- On current projections the housing waiting list will continue to grow in the coming years

- Lewisham are likely to dip just under last years letting target based on the current rate of re-housing
- The annual lettings plan is a projection based on the knowledge and experience of officers – it is difficult to be completely accurate.
- The Homesearch system allows officers to prioritise certain groups for housing if necessary – i.e. in the event of a decant.
- The lettings plan allows the council to keep track of who they are housing each year.

5.3 **RESOLVED:** That the report be noted; and that the answer to the recent council question on the costs of Temporary Accommodation is supplied to the committee.

6. Cash Incentive Scheme (CIS) 2013/14

6.1 Standing Orders were suspended at 9.55pm

6.2 Colin Moone introduced the report. The key points to note were:

- The CIS has an annual budget of £200,000 and unspent funds can be rolled forward resulting in a budget of £565,869 for 2013 / 14.
- The report proposes increasing the cash incentive to approximately 15% of the average market value of the same size property.
- Paragraph 4.5 of the report sets out the market value of properties locally
- Paragraph 4.6 sets out the cash incentive for releasing each property type locally up to a maximum of £44,000.
- The scheme will allow residents to move anywhere in the UK with restrictions including not being allowed to buy a property at auction, not moving into a houseboat and not buying a right to buy property (RtB)

6.3 In response to questions the committee were advised:

- RtB has prevented some spend on the CIS as it offers more favourable terms to the prospective buyer.
- A mortgage must be secured before the cash incentive is released – residents are not being offered a payment simply to leave their home.
- It is possible to pay residents to leave their home and this has been tried in other London boroughs including Brent.
- Although the CIS and other incentive schemes exist there is currently very little incentive to leave a council tenancy

6.4 **RESOLVED:** That the report be noted.

7. Select Committee work programme

7.1 Joseph Dunton introduced the report. The key points to note were:

- The report sets out the draft work programme for the 2013 / 14 municipal year.
- Members are invited to suggest any ideas for an in depth review or items they wish to add to the work programme.
- There is a proposal from the Overview and Scrutiny Committee for the committee to undertake a review into Emergency Services in Lewisham and the scrutiny manager can bring a scoping report to the next meeting.
- There is a proposal arranging a visit to a self build scheme if the committee want to do more research

- 7.2 Members of the committee suggested that they could forward any issues they may wish to look at as part of the Emergency Services review to the Scrutiny Manager in advance of the April meeting.
- 7.3 Members of the committee suggested further items to be added to the select committee work programme:
- An item on the progress with the 250 housing units being built in Lewisham as part of the Housing Matters Programme.
 - A paper on the Local Authority borrowing cap and any upcoming developments
 - An update on the Newham Licensing Scheme
- 7.4 The committee noted that some residents had raised with them their concerns that the ongoing Housing Matters consultation process is not giving equal consideration to the two remaining options.
- 7.5 **RESOLVED:** That the draft work programme is noted; the suggestions of members be included in the draft work programme report for the April meeting; members would pass on any suggestions on what to cover as part of the Emergency Services Review; and the concerns of the committee regarding the ongoing Housing Matters consultation be referred to Mayor and Cabinet.

8. Referrals to Mayor and Cabinet

- 8.1 The committee decided to refer the concerns of some residents as noted in paragraph 7.4 of these minutes to Mayor and Cabinet.

The meeting ended at 10.10 pm

Chair:

Date:

Agenda Item 3

Housing Select Committee			
Title	Declarations of Interest		
Contributor	Chief Executive	Item No.	3
Class	Part 1	Date	03 April 2013

Declaration of interests

Members are asked to declare any personal interest they have in any item on the agenda.

1 Personal interests

There are three types of personal interest referred to in the Council's Member Code of Conduct:-

- (1) Disclosable pecuniary interests
- (2) Other registerable interests
- (3) Non-registerable interests

2 Disclosable pecuniary interests are defined by regulation as:-

- (a) Employment, trade, profession or vocation of a relevant person* for profit or gain
- (b) Sponsorship –payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).
- (c) Undischarged contracts between a relevant person* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.
- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member's knowledge, the Council is landlord and the tenant is a firm in which the relevant person* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:-
 - (a) that body to the member's knowledge has a place of business or land in the borough; and
 - (b) either
 - (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

*A relevant person is the member, their spouse or civil partner, or a person with whom they live as spouse or civil partner.

(3) Other registerable interests

The Lewisham Member Code of Conduct requires members also to register the following interests:-

- (a) Membership or position of control or management in a body to which you were appointed or nominated by the Council
- (b) Any body exercising functions of a public nature or directed to charitable purposes, or whose principal purposes include the influence of public opinion or policy, including any political party
- (c) Any person from whom you have received a gift or hospitality with an estimated value of at least £25

(4) Non registerable interests

Occasions may arise when a matter under consideration would or would be likely to affect the wellbeing of a member, their family, friend or close associate more than it would affect the wellbeing of those in the local area generally, but which is not required to be registered in the Register of Members' Interests (for example a matter concerning the closure of a school at which a Member's child attends).

(5) Declaration and Impact of interest on members' participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in consideration of the matter and vote on it unless paragraph (c) below applies.
- (c) Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- (d) If a non-registerable interest arises which affects the wellbeing of a member, their family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.

- (e) Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

(6) Sensitive information

There are special provisions relating to sensitive interests. These are interests the disclosure of which would be likely to expose the member to risk of violence or intimidation where the Monitoring Officer has agreed that such interest need not be registered. Members with such an interest are referred to the Code and advised to seek advice from the Monitoring Officer in advance.

(7) Exempt categories

There are exemptions to these provisions allowing members to participate in decisions notwithstanding interests that would otherwise prevent them doing so. These include:-

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

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Agenda Item 4

Housing Select Committee			
Title	Select committee work programme	Item	4
Contributor	Scrutiny Manager		
Class	Open	Date	03 April 2013

1. Purpose

To ask Members to agree an annual work programme for the select committee.

2. Summary

This report:

- Provides the context for setting the Committee's work programme and updates Members on the 2012/13 work programme as well as any outstanding issues.
- Informs Members of the meeting dates agreed for this municipal year.
- Provides a provisional work programme for 2013/14 based on items that the Committee is required to consider by virtue of its terms of reference; items outstanding from the previous year; the need to follow up previous reviews; and items that senior council officers feel are important for the Committee to scrutinise.
- Invites members to agree the provisional work programme and suggest additional items based on agreed criteria for selecting topics for scrutiny.
- Informs Members of the process for Business Panel approval of the annual work programme.
- Outlines how the work programme will be monitored and developed going forward.

3. Recommendations

The Select Committee is asked to:

- Note the Committee's terms of reference (**Appendix A**) and meeting dates.
- Consider the items provisionally scheduled for the work programme, as listed at **Appendix D**.
- Consider adding additional items to the work programme, taking into consideration the criteria for selecting topics; the context; and suggestions already put forward.
- Note all forthcoming executive decisions, attached at **Appendix E**, and consider any decisions for further scrutiny.
- Consider the scoping report for the emergency services review attached at **Appendix F**.
- Agree a work programme for the municipal year 2013/14.
- Note the process for developing and monitoring the work programme over the coming year.

4. The 2012/13 work programme

The Committee has completed its 2012/13 work programme except for the item on “Discharge into the PRS / Out of Borough Procurement” which has been added to the provisional work programme for 2013/14.

5. Meeting dates for 2013/14

The following meeting dates for the Housing Select Committee for the next municipal year were agreed at the Council AGM on 20 March 2013:

- 03 April 2013
- 16 May 2013
- 19 June 2013
- 11 September 2013
- 30 October 2013
- 04 December 2013
- 03 February 2014
- 05 March 2014

6. Next year’s work programme

6.1 The Committee has eight scheduled meetings in the 2013/14 municipal year and the Committee’s work programme will need to be achievable in terms of the amount of meeting time available. It might also be helpful to hold some capacity in reserve for any urgent issues that might arise during the course of the year.

6.2 The following suggestions have been put forward by Council officers:

- Inclusion of a Housing Matters update in May and October
- The continuation of the Key Housing Issues item

6.3 Emergency services review

At its meeting on 11 February 2013 the Overview and Scrutiny Committee considered a scoping report, which set out the terms of reference for a review into emergency services in Lewisham. It was agreed that the review would be co-ordinated across all select committees. Members of the O&S Committee considered the proposed terms of reference and they agreed that the review would aim to:

- clarify the key policy initiatives and financial constraints impacting on emergency services locally
- identify the local implications for services
- consider the potential impact of any service changes

6.4 As part of the review, the Committee resolved that the Housing Select Committee would:

- Identify the related impact on services and performance locally, particularly in relation to tenants and housing providers (Lift call outs, fire safety checking responsibilities etc)
- Consider the potential impact of any service changes specifically in relation to tenants and housing providers

6.5 The Housing Select Committee was asked to consider what evidence it would need in order to carry out this review. A brief scoping paper has been provided at **Appendix F** to support members in deciding how best to undertake this work. The draft programme currently includes space at two meetings for this review.

Timing of items

6.6 The Committee might wish to reschedule the items currently proposed within the draft work programme and change the meeting dates to which they are currently assigned. Officers can advise the Committee, at the meeting, of when the items might best be scrutinised in 2013/14, so items can be assigned to the most appropriate meetings.

6.7 If the Committee chooses to conduct an in-depth review it is suggested that this is spread over at least four meetings so at least two evidence sessions can be held:

- Meeting one - scoping paper
- Meetings two and three - evidence sessions
- Meeting four - consideration of the draft report and recommendations.

6.8 It is recommended that, because this is the last year of the administration, in depth reviews are scheduled for the first half of the year

Deciding what to add to the provisional work programme

6.9 When deciding on additional items to add to the work programme, the committee should have regard to:

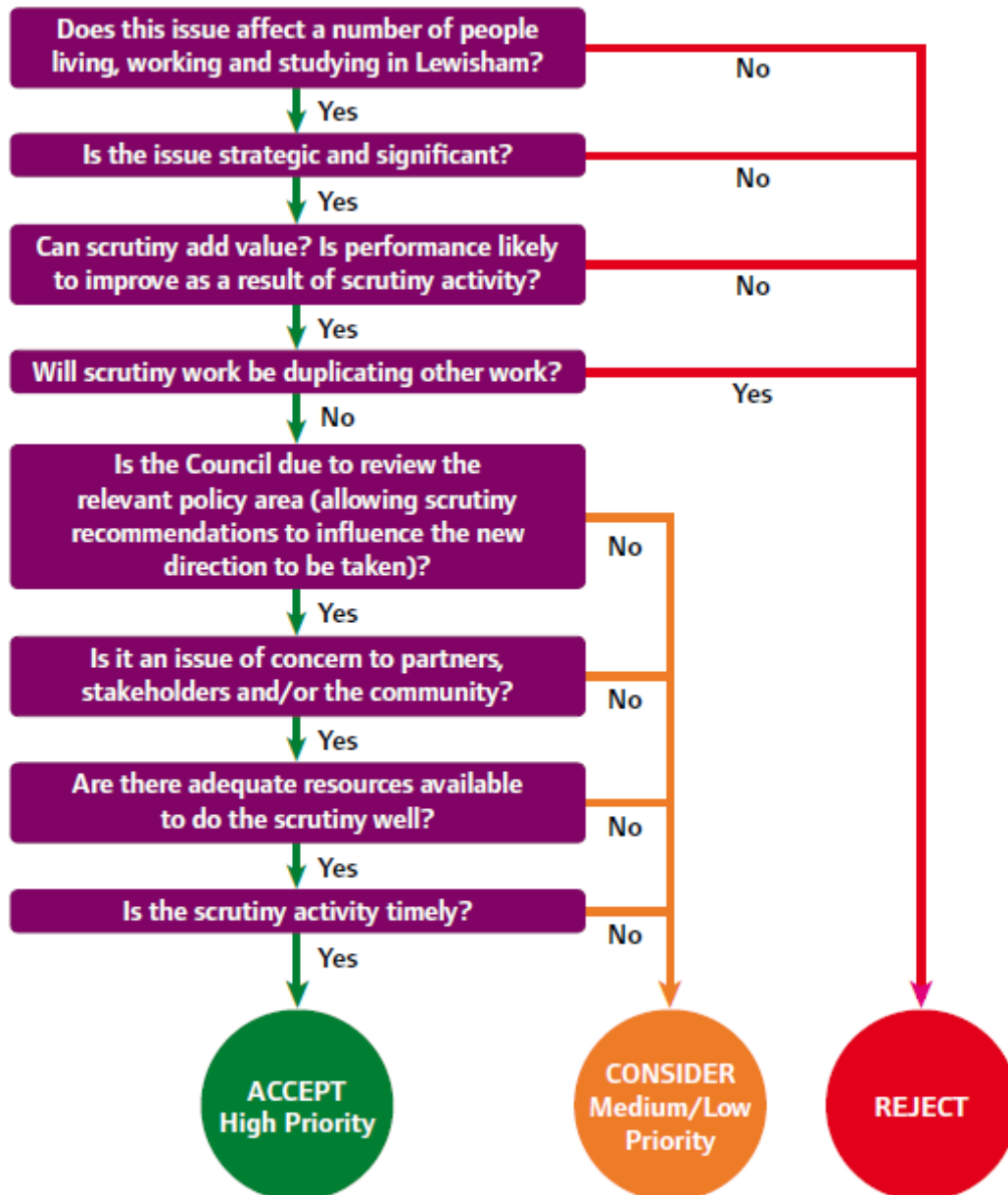
- The criteria for selecting topics
- The capacity for adding items
- The terms of reference for the Committee

Criteria for adding items to the work programme

6.10 In order to maximise the potential impact of any recommendations made by the committee, Members may wish to put forward items for the work programme which focus on (a) issues or policy areas where the Council is looking to review or change its approach and where scrutiny recommendations can influence the new direction to be taken; or (b) policy areas where there are performance risks or areas of consistent under-performance (in which case the Council should, in any event, be looking to review its approach).

6.11 The Centre for Public Scrutiny (CfPS) has developed a useful set of questions to help committees prioritise items for scrutiny work programmes. This is attached at **Appendix B**. The flow chart below summarises that advice and may help members decide which additional items should be added to the work programme, and their priority:

Scrutiny work programme – prioritisation process



7. Different types of scrutiny

- 7.1 It will be important for the Committee to agree how each work programme item will be scrutinised. Some items may only require an information report to be presented to the Committee and for others, performance monitoring data to be presented. It is envisaged that the majority of items will take the form of single meeting reviews, where members
- a. agree what information and analysis they wish to receive in order to achieve their desired outcomes;
 - b. receive a report presenting that information and analysis;
 - c. agree a series of recommendations following discussion of the report.
- 7.2 For each potential item the Committee should consider what type of scrutiny is required and whether the item is high or medium/low priority (using the flow chart tool above if required).
- 7.3 If the Committee would like to designate one of its work programme items as an in-depth review, this should be done at the first meeting of the municipal year to allow sufficient time to carry out the review. A scoping paper for the review will then be prepared for the next meeting.

8. Approving the work programme

In accordance with the Overview and Scrutiny Procedure rules outlined in the Council's Constitution, each scrutiny select committee is required to submit their annual work programme to the Overview and Scrutiny Business Panel. The Business Panel will meet early in the municipal year consider each select committee's work programme and agree a co-ordinated overview and scrutiny work programme, which avoids duplication of effort and which facilitates the effective conduct of business.

9. How the work programme will be monitored and developed

- 9.1 The work programme is a "living document" and as such will be reviewed at each meeting of the Committee. This allows urgent items to be added to the work programme and items which are no longer a priority to be removed. Each additional item added should first be considered against the criteria outlined above. If the committee agrees to add additional item(s) because they are high priority, it must then consider which medium/low priority item(s) should be removed in order to create sufficient capacity for the new item(s). The Committee will have eight scheduled meetings in the 2013/14 municipal year and the Committee's work programme will need to be achievable in terms of the amount of meeting time available.

9.2 At each meeting of the Committee there will be an item on the work programme. When discussing this item, the committee will be asked to consider the items programmed for the following meeting. Members will be asked to outline what information and analysis they would like in the report for each item, based on the outcomes they would like to achieve, so that officers are clear about what they need to provide.

10. Financial Implications

There may be financial implications arising from some of the items that will be included in the 2013/14 work programme (especially in-depth reviews) and these will need to be considered when preparing those items/scoping those reviews.

11. Legal Implications

In accordance with the Council's Constitution, all scrutiny select committees must devise and submit a work programme to the Business Panel at the start of each municipal year.

12. Equalities Implications

There may be equalities implications arising from items on the work programme and all activities undertaken by the select committee will need to give due consideration to this.

Appendices

Appendix A - Select Committee terms of reference

Appendix B - CfPS criteria for selecting scrutiny topics

Appendix C - Programme process overview

Appendix D - Draft 2013/14 Work programme

Appendix E - Summary of forthcoming business

Appendix F - Emergency services review scoping paper

Appendix A:

Select Committee Terms of Reference

The following roles are common to all select committees:

(a) *General functions*

- To review and scrutinise decisions made and actions taken in relation to executive and non-executive functions
- To make reports and recommendations to the Council or the executive, arising out of such review and scrutiny in relation to any executive or non-executive function
- To make reports or recommendations to the Council and/or Executive in relation to matters affecting the area or its residents
- The right to require the attendance of members and officers to answer questions includes a right to require a member to attend to answer questions on up and coming decisions

(b) *Policy development*

- To assist the executive in matters of policy development by in depth analysis of strategic policy issues facing the Council for report and/or recommendation to the Executive or Council or committee as appropriate
- To conduct research, community and/or other consultation in the analysis of policy options available to the Council
- To liaise with other public organisations operating in the borough – both national, regional and local, to ensure that the interests of local people are enhanced by collaborative working in policy development wherever possible

(c) *Scrutiny*

- To scrutinise the decisions made by and the performance of the Executive and other committees and Council officers both in relation to individual decisions made and over time
- To scrutinise previous performance of the Council in relation to its policy objectives/performance targets and/or particular service areas
- To question members of the Executive or appropriate committees and executive directors personally about decisions
- To question members of the Executive or appropriate committees and executive directors in relation to previous performance whether generally in comparison with service plans and targets over time or in relation to particular initiatives which have been implemented
- To scrutinise the performance of other public bodies in the borough and to invite them to make reports to and/or address the select committee/Business Panel and local people about their activities and performance

- To question and gather evidence from any person outside the Council (with their consent)
- To make recommendations to the Executive or appropriate committee and/or Council arising from the outcome of the scrutiny process

(d) *Community representation*

- To promote and put into effect closer links between overview and scrutiny members and the local community
- To encourage and stimulate an enhanced community representative role for overview and scrutiny members including enhanced methods of consultation with local people
- To liaise with the Council's ward assemblies and Positive Ageing Council so that the local community might participate in the democratic process and where it considers it appropriate to seek the views of the ward assemblies and Positive Ageing Council on matters that affect or are likely to affect the local areas, including accepting items for the agenda of the appropriate select committee from ward assemblies and the Positive Ageing Council.
- To keep the Council's local ward assemblies and Positive Ageing Council under review and to make recommendations to the Executive and/or Council as to how participation in the democratic process by local people can be enhanced
- To receive petitions, deputations and representations from local people and other stakeholders about areas of concern within their overview and scrutiny remit, to refer them to the Executive, appropriate committee or officer for action, with a recommendation or report if the committee considers that necessary
- To consider any referral within their remit referred to it by a member under the Councillor Call for Action, and if they consider it appropriate to scrutinise decisions and/or actions taken in relation to that matter, and/or make recommendations/report to the Executive (for executive matters) or the Council (non-executive matters)

(e) *Finance*

- To exercise overall responsibility for finances made available to it for use in the performance of its overview and scrutiny function.

(f) *Work programme*

- As far as possible to draw up a draft annual work programme in each municipal year for consideration by the overview and scrutiny Business Panel. Once approved by the Business Panel, the relevant select committee will implement the programme during that municipal year. Nothing in this arrangement inhibits the right of every member of a select committee (or the Business Panel) to

place an item on the agenda of that select committee (or Business Panel respectively) for discussion.

- The Council and the Executive will also be able to request that the overview and scrutiny select committee research and/or report on matters of concern and the select committee will consider whether the work can be carried out as requested. If it can be accommodated, the select committee will perform it. If the committee has reservations about performing the requested work, it will refer the matter to the Business Panel for decision.

The following roles are specific to the Housing Select Committee:

To fulfil all overview and scrutiny functions in relation to the discharge by the authority of its housing functions. This shall include the power to:

- review and scrutinise decisions made or other action taken in connection with the discharge of the Council of its housing function
- make reports or recommendations to the authority and/or Mayor and Cabinet with respect to the discharge of these functions
- make recommendations to the authority and/or Mayor and Cabinet proposals for housing policy
- to review initiatives put in place by the Council with a view to achieving the Decent Homes standard, making recommendations and/or report thereon to the Council and/or Mayor and Cabinet
- to establish links with housing providers in the borough which are concerned with the provision of social housing

Appendix B:

Criteria for selecting topics

The Centre for Public Scrutiny (CfPS) has developed a useful set of questions to help committees prioritise items for scrutiny work programmes:

General questions to be asked at the outset

- Is there a clear objective for scrutinising this topic – what do we hope to achieve?
- Does the topic have a potential impact for one or more section(s) of the population?
- Is the issue strategic and significant?
- Is there evidence to support the need for scrutiny?
- What are the likely benefits to the council and its customers?
- Are you likely to achieve a desired outcome?
- What are the potential risks?
- Are there adequate resources available to carry out the scrutiny well?
- Is the scrutiny activity timely?

Sources of topics

The CfPS also suggest that ideas for topics might derive from three main sources: the public interest; council priorities; and external factors. These are described below.

Public interest

- Issue identified by members through surgeries, casework and other contact with constituents
- User dissatisfaction with service (e.g. complaints)
- Market surveys/citizens panels
- Issue covered in media

Internal council priority

- Council corporate priority area
- high level of budgetary commitment to the service/policy area (as percentage of total expenditure)
- pattern of budgetary overspend
- poorly performing service (evidence from performance indicators/ benchmarking).

External Factors

- Priority area for central government
- new government guidance or legislation
- issues raised by External Audit Management Letters/External Audit Reports.
- key reports or new evidence provided by external organisations on key issue.

Criteria to reject items

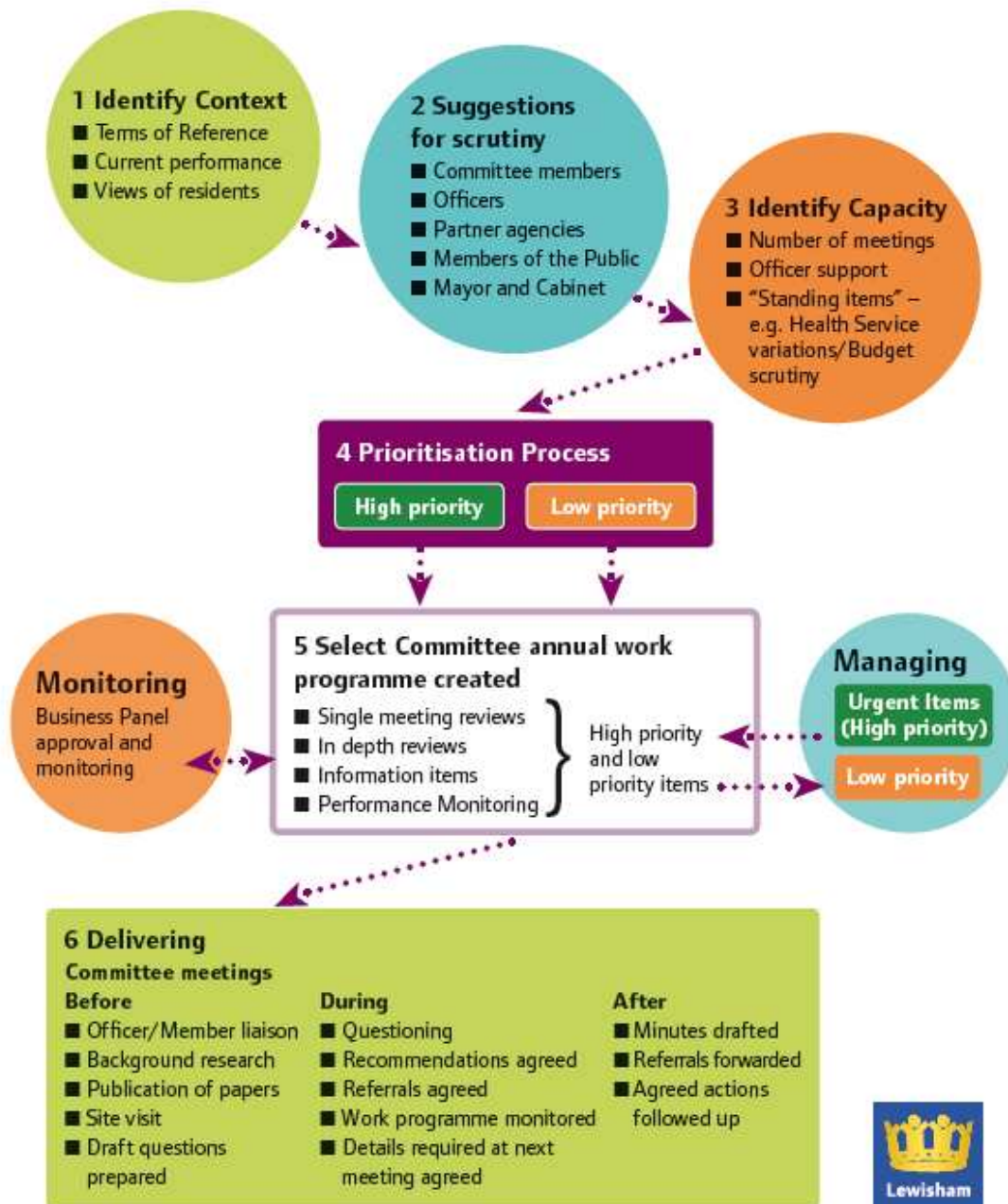
Finally, the CfPS suggest some criteria for rejecting items:

- issue being examined elsewhere - e.g. by the Cabinet, working group,
- officer group, external body
- issue dealt with less than two years ago
- new legislation or guidance expected within the next year
- no scope for scrutiny to add value/ make a difference
- the objective cannot be achieved in the specified timescale.

Appendix C:

Work Programme: Setting, monitoring, managing and delivering

Setting



Appendix D:

Draft Housing Select Committee Work Programme 2013/14

Date of Meeting	Agenda Item	Review Type	Link to Corporate Priority	Priority
Wednesday 3 April 2013	1. Confirmation of Chair and Vice-Chair	Constitutional requirement	-	-
	2. Work Programme 2012/13 / Scoping of HSC involvement in Review into Emergency Services	Constitutional requirement	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	3. In depth review into low cost home ownership report and recommendations	In depth review	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	4. Housing Matters Update	Standard Review as agreed at O+S Business Panel (Jan 2013)	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	5. Key housing Issues	Information item	Decent homes for all	Medium
Thursday 16 May 2013	1. Review into Emergency Services in Lewisham?	In depth review	Inspiring efficiency, effectiveness and equity	High
	2. Housing Matters Update	Standard Review	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	3. Brockley PFI – end of year review	Performance monitoring	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	4. Lewisham Homes Delivery Plan – end of year review	Performance monitoring	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	5. Discharge into the PRS / Out of Borough Procurement	Standard Item	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	6. Key housing Issues	Information item	Decent homes for all	Medium

Wednesday 19 June 2013	1. Review into Emergency Services in Lewisham (second evidence session or recommendations)	In depth review	Inspiring efficiency, effectiveness and equity	High
	2. Preparation for Housing Benefit Cap in Lewisham	Standard Review	Decent homes for all; Inspiring efficiency, effectiveness and equity	Medium
	3. Discharge into the PRS / Out of Borough Procurement	Standard Item	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	4. Key housing Issues	Information item	Decent homes for all	Medium
Wednesday 11 September 2013	1. Update on implementation of PRS review recommendations – Love Lewisham Lets	In depth review follow up	Decent homes for all; Inspiring efficiency, effectiveness and equity	Medium
	2. Review into Emergency Services in Lewisham – Recommendations?	In depth review	Inspiring efficiency, effectiveness and equity	High
	3. Family Mosaic: Heathside and Lethbridge	Standard Item	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	4. Response to Low Cost Home Ownership Review	In depth review follow up	Decent homes for all; Inspiring efficiency, effectiveness and equity	Medium
	5. Key housing Issues	Information item	Decent homes for all	Medium
Wednesday 30 October 2013	1. Housing Matters	Standard Review	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	2. Review of Housing Complaints Process	Standard Review	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	3. Key housing Issues	Information item	Decent homes for all	Medium
Wednesday 4 December 2013	1. Impact of Housing Benefit Cap on Lewisham Residents	Standard Review	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	2. Brockley PFI - mid year review	Performance monitoring	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	3. Lewisham Homes - mid year review	Performance monitoring	Decent homes for all; Inspiring efficiency, effectiveness and equity	High

	4. Proposed rent and service charge increases	Standard item	Inspiring efficiency, effectiveness and equity	High
	5. Key housing Issues	Information item	Decent homes for all	Medium
Monday 3 February 2014	1. Use of Temporary Accommodation for Homeless Households	Standard Review	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	2. Low Cost Home Ownership Update	In depth review follow up	Decent homes for all; Inspiring efficiency, effectiveness and equity	High
	3. Key housing Issues	Information item	Decent homes for all	Medium
Wednesday 5 March 2014	1. Key housing Issues	Information item	Decent homes for all	Medium

Information item

An information note on key housing issues has been scheduled for each meeting but will only form part of the agenda if there are significant, new legislative and policy developments to report, that are not covered by an existing work programme item.

Work Item	Type of Review	Priority	Strategic Priority	Delivery Deadline	3 April	16 May	19 June	11 September	30 October	4 December	3 February	5 March
In depth review into Low Cost Home Ownership Report and follow up	In depth review	High	CP6	April	Report				Update			
Housing Matters Update	In depth scrutiny	High	CP6	April								
Review into emergency services in Lewisham	In depth scrutiny	High	CP6	December								
Discharge into the PRS / Out of Borough Procurement	Standard Review	High	CP6, CP10	September								
Brockley PFI end of year review	Performance monitoring	High	CP6, CP10	May								
Lewisham Homes end of year review	Performance monitoring	High	CP6	May								
Housing Matters: Update on Consultation	In depth scrutiny	High	CP6	July								
Preparation for Housing Benefit Cap in Lewisham	Standard review	High	CP6	September								
Update on implementation of PRS review recommendations – Love Lewisham Lets	In depth review and follow up	Medium	CP6	September								
Family Mosaic: Heathside and Leathbridge	Standard review	High	CP6	September								
Housing Matters: results of further consultation and way forward	In depth scrutiny	High	CP6	October								
Review of Housing Complaints Process	Standard review	High	CP6, CP10	October								
Impact of housing Benefit Cap on Lewisham Residents	Standard review	High	CP6	December								
Lewisham Homes mid year review	Performance monitoring	High	CP6	January								
Brockley PFI mid year review	Performance monitoring	High	CP6, CP10	January								
Proposed rent and Service Charge Increases	Standard review	High	CP6	January								
Use of Temporary Accommodation for homeless Households: Update	Standard review	High	CP6	March								
Key Housing Issues	Information item	Medium	CP6	As required								

Appendix E: summary of forthcoming business

MAYOR & CABINET April 10 2013	
Title and details of Item	Directorate responsible
Parking Policy Review	Customer Services
Heathside and Lethbridge Phase 4 CPO	Customer Services
New Cross Gate Healthy Living Centre Scheme	Resources & Regeneration
Statement of Community Involvement	Resources & Regeneration
Council process for neighbourhood forum and plans	Resources & Regeneration
Building School for the Future Brent Knoll Stage 1 & 2	Resources & Regeneration
Permission to consult on proposals to enlarge 1) Coopers Lane Primary School from 2 to 3FE 2) Forster Park Primary School from 2 to 3FE	Children & Young People

MAYOR & CABINET (CONTRACTS) April 10 2013	
Title and details of Item	Directorate responsible
Parking Contract Award	Customer Services
Contract seeking tender for Boroughwide Management Organisation for community premises	Community Services
Recommendations for the awards of contracts for the construction of additional primary school accommodation to meet demand in 2013	Children & Young People

MAYOR & CABINET May 1 2013	
Title and details of Item	Directorate responsible
Disposal of the Premises officer	Resources & Regeneration

house – Lee Green	
Acquisition of freehold interests in Nos. 4 & 15 Parkcroft Road SE12	Resources & Regeneration

MAYOR & CABINET(CONTRACTS) May 22 2013	
Title and details of Item	Directorate responsible
Awards of contracts for the construction of 1) the Primary Phase of Prendergast Ladywell Fields College 2)the enlargement of Adamsrill from 2 to 3FE	Children & Young People

MAYOR & CABINET June 19 2013	
Title and details of Item	Directorate responsible
Reprocurement of the Learning Disability Framework Agreement - Appointment of providers to Framework	Community Services

MAYOR & CABINET(CONTRACTS) July 10 2013	
Title and details of Item	Directorate responsible
Agree the selection/approval of (Fire, Asbestos & Water Hygiene) Contract	Resources & Regeneration
Awards of contracts for the enlargement of John Stainer Primary from 1 to 2 FE	Children & Young People

Appendix F:

Housing Select Committee			
Title	Emergency services review: scoping paper	Item	4
Contributor	Scrutiny Manager		
Class	Open	Date	03 April 2013

1. Purpose of paper

The Overview and Scrutiny Committee has agreed that its select committees will carry out a review of emergency services in Lewisham. At its last meeting, the Committee resolved that the Housing Select Committee would be tasked with determining impact of the changes as they relate to the borough's housing. At its meeting on the 6th March 2013 the Housing Committee requested that officers provide further information about how it might approach this task. This paper provides that information.

2. Recommendations

The Committee is asked to:

- consider the content of the report and decide what evidence it will require to carry out this review.
- note the draft timetable in section five and agree a timescale for the completion of the review.

3. Background

3.1 Significant changes are being implemented, or are planned, to the way in which emergency services are delivered across London. This includes the three local emergency services in Lewisham: Metropolitan Police, London Fire Brigade and the London Ambulance Service; and also the provision of accident and emergency services across South-East London.

3.2 At its meeting on 11 February 2013 the Overview and Scrutiny Committee considered a scoping report, which set out the terms of reference for a review into emergency services in Lewisham. At the meeting, it was decided that the review would be co-ordinated across all select committees. Members of the O&S Committee considered the proposed terms of reference and they agreed that the review would aim to:

- clarify the key policy initiatives and financial constraints impacting on emergency services locally
- identify the local implications for services
- consider the potential impact of any service changes

- 3.3 As part of the review, the Committee resolved that the Housing Select Committee would:
- Identify the related impact on services and performance locally, particularly in relation to tenants and housing providers (Lift call outs, fire safety checking responsibilities etc)
 - Consider the potential impact of any service changes specifically in relation to tenants and housing providers

3.4 Therefore, the Housing Select Committee's contribution to the emergency services review could focus on fire safety, prevention and engagement, as well as the future of partnership working in the borough.

4. Fire service proposals

4.1 On the 11th January 2013 the Commissioner of the London Fire Brigade published proposals for the Draft Fifth London Safety Plan¹. The plan detailed proposals to make savings worth £28.8m over the next two years. The plans included closing 12 fire stations, seven fire stations that currently have two fire engines moving to one fire engine, and four stations gaining a fire engine.

4.2 Two of the stations proposed for closure are in Lewisham: New Cross and Downham. The plans also include proposals to alter services in neighbouring boroughs. The plans also include proposals to charge organisations for false alarm calls triggered by automated alarm systems and avoidable visits to free people who are trapped in lifts.

4.3 The Commissioner has stated that, if implemented, the Brigade would maintain its existing average target response time of getting its first fire engine to an emergency within six minutes and the second fire engine, if needed, within eight minutes.

4.4 The Commissioner of the London Fire Brigade also stated: "In the last four years, we have cut £52m without reducing frontline services. Additional savings cannot be found without making significant changes to how we keep London safe. In the last decade, demand for the Brigade's service has changed dramatically and it's time to reflect that in how our fire stations, engines and staff are organised". Consultation on the proposals, including plans for the closure of 12 fire stations, is under way. The consultation will end on 28 May 2013.

4.5 The Committee has previously requested information about fire safety in the borough. Following a serious incident in Deptford in 2011, which led to the tragic death of two people, the Committee resolved to scrutinise the fire safety measures put in place by Lewisham homes. Because of the ongoing investigation into the incident, this scrutiny was deferred. As part of the emergency services review, Lewisham Homes and the fire brigade could be

¹ London Fire Brigade Draft fifth London Safety Plan
<http://www.london.gov.uk/LFEPA/mgAi.aspx?ID=1016#mgDocuments>

asked to provide relevant information about their roles in ensuring fire safety in tower blocks.

5. Key lines of enquiry

5.1 The terms of reference for the review have been established by the Overview and Scrutiny Committee. The terms agreed for the Housing Committee are to:

- Identify the related impact on services and performance locally, particularly in relation to tenants and housing providers (Lift call outs, fire safety checking responsibilities etc)
- Consider the potential impact of any service changes specifically in relation to tenants and housing providers

5.2 These areas could be addressed by seeking answers to a set of key questions:

Prevention, engagement and enforcement

- How will the proposed changes impact on work to prevent fires in Lewisham's housing stock?
- How will partners continue to ensure that effective prevention work takes place?
- How much training for housing providers was carried out in previous years- and how much is expected to be carried out following the proposed changes?
- What plans do housing providers have in place to engage with residents on the issue of fire safety?
- How many issues and enforcement notices have been issued by the fire brigade for Lewisham's public housing?
- How will support be maintained for enforcement activity to be carried out?

Future

- Do the proposed changes take into account the anticipated growth in Lewisham's population, as well as likely increases in housing density?
- How will the changes to the lifts policy impact on housing providers in the borough?
- Have housing providers assessed the potential impact of the proposals to charge for multiple false alarms and unnecessary lift call outs?

5. Timetable

The proposed timetable for the completion of this work is:

- 16 May 2013 - Evidence session
Alongside relevant senior housing officers from Lewisham Council, it is proposed that officers with responsibility for fire prevention and enforcement are invited from Lewisham Homes and the London Fire Brigade.
- 19 June 2013 – Agreeing recommendations

6. Further implications

There are no legal, financial, sustainability, equalities or crime & disorder implications resulting from the implementation of the recommendation in this report, however, there may be implications arising from the review, these will be dealt with as part of the review.

If you have any questions about this report please contact Timothy Andrew (Scrutiny Manager) on 02083147916

Overview and Scrutiny

Low Cost Home Ownership Review

Housing Select Committee

April 2013

Membership of the Housing Select Committee in 2012 / 13:

Councillor Carl Handley (Chair)

Councillor Vincent Davis (Vice-Chair)

Councillor Ami Ibitson

Councillor Amanda De Ryk

Councillor Darren Johnson

Councillor Paul Bell

Councillor Sam Owolabi-Oluyole

Councillor Liam Curran

Councillor Patsy Forman

Councillor Vicky Foxcroft

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 - Advantages of Right to Buy
 - Disadvantages of Right to Buy
 - Promoting Right to Buy
 - Other schemes available locally to promote home ownership
- 4. Shared Ownership / Shared Equity**
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 - Advantages of Shared Ownership / Shared Equity
 - Disadvantages of Shared Ownership / Shared Equity
- 5. Self Build / Custom Build**
 - Options
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7. Monitoring and ongoing scrutiny

Sources

Appendix A - Right to Buy on the Lewisham Homes Website

Appendix B - Historic shared ownership / shared equity products

Appendix C - Examples of other self build / custom build projects

Appendix D - Other Local Authorities considering self build

DRAFT

Chair's Introduction

To be inserted.

Councillor Carl Handley
Chair of the Housing Select Committee

DRAFT

Executive summary

[To be inserted once agreed by committee]

DRAFT

Recommendations

The Committee would like to make the following recommendations:

[Please note, these are draft recommendations to be considered and approved by the Committee]

- R1. Lewisham Council and partner organisations need to ensure that all residents are aware of both the benefits and the pitfalls of choosing to buy a home through the Right to Buy Scheme.
- R2. Lewisham Council should explore options to limit the number of RtB leaseholders sub-letting their properties or selling them to local private landlords. This could include exploring options for charging leaseholders for renting their property in the first five years and looking at options for giving the council first refusal on the property in the event of a sale.
- R3. Lewisham Homes should promote the Cash Incentive Scheme alongside Right to Buy to ensure that tenants are aware of all the options available to them.
- R4. Lewisham Council and partner organisations need to ensure that all residents are aware of both the benefits and the pitfalls of choosing to buy a home through a Shared Ownership / Shared Equity scheme.
- R5. The Housing Select Committee support the South East London Housing Partnership in their efforts to maintain a portal website to make it easier for residents to navigate the range of Shared Ownership / Equity options available locally.
- R6. Lewisham Council should measure the demand / interest in self build locally
- R7. Lewisham Council should promote the Mayor of London's "Build your own home – the London Way" funding pot to local residents who are interested in self build.
- R8. Lewisham Council should work with local partners such as the credit union to open up new finance options for any potential Self Build / Custom Build projects in the borough.
- R9. Lewisham Council should explore all options for providing appropriate affordable land to Self Build projects that help meet local housing needs.
- R10. Lewisham Council should re-explore the sites that have been considered for infill development under the Housing Matters Programme with a view to making any suitable sites available to self builders.
- R11. Lewisham Council should explore a Community Land Trust as an option for releasing land for self build projects.

- R12. Lewisham Council should re-explore the sites that have been considered for infill development under the Housing Matters Programme with a view to making any suitable sites available to groups wishing to set up a Community Land Trust.
- R13. Lewisham Council should work with local partners such as the credit union to open up new finance options for any potential CLT in the borough.
- R14. Lewisham Council should create a local version of the CLT Handbook to simplify the process for any local community groups thinking of approaching the Council to set up a CLT.
- R15 A further report on low cost home ownership, including updated information relating to the recommendations set out in this report should be brought before the Housing Select Committee in the 2013/14 municipal year.

DRAFT

1. Introduction and key lines of enquiry for the review

1.1. At their meeting on Tuesday 11th September 2012 the Housing Select Committee (HSC) decided that, in the context of the Housing Matters programme and the shortage of homes available in the borough they would like to look at other options for low cost home ownership.

1.2. It was decided to consider four possible options for low cost home ownership:

- Right to Buy / preserved Right to Buy / Right to Acquire
- Shared Ownership / Shared Equity
- Self Build / Custom Build
- Community Land Trust

1.3. A scoping report was agreed at the Housing Select Committee meeting on 31st October 2012. The key lines of enquiry agreed relate to each of the four areas of the review. These are outlined below:

- *Right to Buy/preserved Right to Buy/Right to Acquire*
 - What are the advantages and disadvantages of RTB (a) for tenants and (b) the council and the wider Lewisham population?
 - How has this affected the retained stock of council owned homes in Lewisham and stock transferred to RSLs?
 - Has there been any abuse of RTB in Lewisham (e.g. by companies seeking to induce tenants to buy their properties and then sell them under rent back schemes)?
 - How many applications for RTB has Lewisham Homes received since the government increased the discount and what are the future projections?
 - Have RSLs that have received transferred stock seen an increase in applications?
 - Do the Council and its RSL partners actively promote RTB and RTA?
- *Shared Ownership/Shared Equity*
 - How many different shared ownership/shared equity schemes exist?
 - What are the advantages / disadvantages of shared ownership/shared equity?
 - What number and proportion of home owners have been helped with shared ownership/shared equity?
 - How many shared ownership/shared equity homes have been built by Registered Social Landlords in Lewisham over the past ten years?
 - How many shared ownership/shared equity homes have been provided in Lewisham as a result of s106 planning requirements?
 - What factors have affected take up of shared ownership/shared equity homes schemes?
 - What factors, if any, have restrained supply of shared ownership/shared equity homes?

- *Self Build*
 - What are the advantages / disadvantages of self build?
 - What examples are there of self build projects pursued by Lewisham Council or Lewisham Homes or RSLs in the borough historically and currently?
 - What are the reasons behind the low proportion of self build properties in the borough and what impediments are there that may discourage self build schemes? How can these be removed?
 - Is Lewisham doing anything to encourage bids to the London Mayor's 'Build your own home – the London way' scheme?
 - What land currently owned by Lewisham Council might be suitable for self build? If the land was provided for free what would be the impact for the Council and how much would it cost, approximately, for a resident to self-build a family sized house on this land?
 - *Community Land Trusts*
 - How do CLTs work?
 - What are the advantages / disadvantages of CLTs?
 - What examples are there of successful urban based CLTs?
 - What land currently owned by Lewisham Council might be suitable for a CLT? If the land was provided to a CLT for free, what would be the impact for the Council and how much would it cost, approximately, to build a family sized house on this land?
- 1.4. It was agreed at the HSC meeting on 31st October that the review would be conducted over two evidence sessions to be held on 4th February 2013 and 6th March 2013.
- 1.5. On 4th February the committee received a report from the Executive Director for Customer Services that contained:
- information on the four options for low cost home ownership including the advantages and disadvantages of each option;
 - examples of how each option has worked in Lewisham to date and the potential for, and desirability of, encouraging each option in the future; and
 - information on how each option might link to the Council's wider housing plans including the Housing Matters Programme,
- 1.6. At the meeting on 4th February evidence was provided by:
- Kevin Sheehan, Executive Director for Customer Services;
 - Genevieve Macklin, Head of Strategic Housing;
 - Louise Spires, Strategy, Policy and Development Manager – Strategic Housing;
 - Madeleine Jeffery, SGM Housing Strategy and Development;
 - Adam Barrett, Director of Resources - Lewisham Homes;
 - Orville Phillips, Right to Buy Manager - Lewisham Homes; and
 - Mrs Mead – a leaseholder representative from St Johns Court in Lewisham.

- 1.7. At the meeting on 6th March the committee received further written evidence that included:
- Case Study: Segal Close – prepared by the Scrutiny Manager with input from Jon Broome, an original resident and architect of Segal Close. This provided details of the development of the first Local Authority backed self build scheme in the country developed in Lewisham in the later 1970s.
 - Comments from Jon Broome on self build – written comments on self build from Jon Broome, original resident and architect of Segal Close.
 - Build Your Own Home – The London Way – a funding prospectus from the Mayor of London outlining the Greater London Authority policy position on custom build.
 - East London Community Land Trust (CLT) – Frequently Asked Questions – Information adapted from the East London CLT website by the scrutiny manager to provide background on the East London CLT.
- 1.8. At the meeting the committee heard evidence from:
- Ted Stevens, Chair of the National Self Build Association;
 - Dave Smith, Director of the East London CLT;
 - Lina Jamoul, Community Organiser for London Citizens;
 - Ms Jacob Da Silva – leaseholder representative from the Passfields Estate;
 - Ms Roberts – representing elderly leaseholders from the Passfields Estate;
 - Debbie Coombs, Assistant Development Director Sales and Marketing – Family Mosaic;
 - Lucy Chitty – London and Quadrant; and
 - Madeleine Jeffery, SGM Housing Strategy and Development.
- 1.9. The committee concluded its review and agreed its recommendations on 3rd April 2013.

2. Background

- 2.1. Most people want to own their own home, as they feel that home ownership confers a variety of benefits including increased security and a greater sense of control and belonging. Increasing home ownership has been an important goal of successive governments, and national policies have sought to encourage the expansion of this sector of the housing market. In the mid-1970s only half of all households in the UK were owner-occupiers. However, since the launch of the 'Right To Buy' scheme, governments of all persuasions have pushed policies to get more people onto the property ladder. The result, fostered by financial deregulation which led to a greater availability of mortgage finance, has been a dramatic increase in home ownership to a peak of just over 70% in 2003.¹
- 2.2. However, in addition to increasing the availability of mortgage finance, the deregulation of financial markets also led to house price inflation which was followed by the 'credit crunch'. Lenders began to market mortgages which provided 100% of the finance required or else had a very high loan-to-value ratio; lent to those with chequered credit histories or low and insecure incomes; offered 'cash back', or 'self-certified' mortgages; and sometimes lent up to four or five times the salaries of the mortgage applicants. This was unsustainable and the availability of mortgage finance for people on low incomes is now greatly restricted and home ownership in England has declined to 67.4%.²
- 2.3. Over the years, governments have come up with a number of different schemes to promote low cost home ownership for aspiring home owners who would struggle to buy a home on the open market, starting with the '**Right To Buy**' scheme, which has seen over two million social housing properties transfer into private ownership over the thirty years since its inception.³
- 2.4. There have also been government backed schemes run by Registered Housing Providers to encourage shared ownership or shared equity. Although there has been a significant take up of these schemes, the contribution of shared ownership to overall home ownership is very low and, from the purchaser's point of view, there are drawbacks as they only enable the purchaser to buy a share in the property rather than buy it outright, and pay rent on the remainder, buying additional shares if or when they are able to afford it.⁴
- 2.5. **Self build schemes** are another way of encouraging low cost home ownership, but they have had a limited impact on home ownership in the UK. Whilst between 7-10% of all new homes in the UK are self-built⁵, of all

¹ The end of the affair: implications of declining home ownership, Andrew Heywood, The Smith institute, 2011, p4
See: <http://www.smith-institute.org.uk/file/The%20End%20of%20the%20Affair%20-%20implications%20of%20declining%20home%20ownership.pdf>

² Ibid, p7.

³ See DCLG website: <http://www.communities.gov.uk/housing/homeownership/righttobuy/>

⁴ The National Housing Federation (NHF) has estimated that 170,000 homes have been provided for shared ownership since 1979: National Housing Federation *Shared Ownership Facts & Figures* (2010)

⁵ See: http://www.bsa.org.uk/docs/mortgages/lending_information_for_self_build.pdf p6

French and German new builds approximately 60% are self-built and in Austria that rises to around 80%.⁶ However, despite the limited impact of this method in securing low cost home ownership, Lewisham has had a number of successful self-build schemes and there have been recent initiatives launched to promote this way of acquiring home ownership by the Greater London Authority.

- 2.6. In recent years the **Community Land Trust** (CLT) movement has begun to make headway, building low cost homes largely on donated land. CLTs also have the advantage of producing affordable homes which remain affordable, insofar as the discount at which they are bought has to be passed onto future occupiers rather than accruing to the seller as a windfall profit⁷.

Lewisham

- 2.7. There is arguably a high need for low cost home ownership schemes in Lewisham. Over the past 15 years, high levels of demand and constraints on land availability have driven an above-average growth in house prices across London, including in Lewisham, and this has limited affordability for residents. In 1997 the average house price in Lewisham was £73,789 and the median salary was £16,120, a price to income ratio of nearly 5:1. By 2010, and despite the downturn in the broader economy, the average house price in the borough had increased to £255,351 and the median income had increased to £23,592, resulting in a doubling of the price to income ratio to almost 11:1⁸.
- 2.8. House prices have since stabilised, but mortgage finance is increasingly rationed and deposit requirements have increased. To be able to purchase a property in the lowest 25 per cent of prices in Lewisham in 2010, a single resident would need to be earning at least at the level of the highest 25 per cent of earners (£40k p.a. or more), qualify for a 75 per cent loan-to-value mortgage, and have saved £1 in every £5 that they had earned for 7 years or have other access to the £45k deposit. With personal debt levels still high - £1,700 for every adult in the UK aged 18 or older, compared to £1,000 in 1997 – this rate of saving is unlikely, and first time buyers are increasingly reliant on family support to access home ownership⁹.
- 2.9. Figures provided in the 2011 Census show that of 116,091 households in Lewisham 43.6% are either owned outright, owned with a mortgage or part of a shared ownership arrangement - a decrease from 50.1% in 2001.
- 2.10. It is in this context that the committee decided to undertake their review into options for low cost home ownership in Lewisham. The remainder of this report will detail the findings of this review and the evidence base for the recommendations that the committee wish to make.

⁶ See: <http://www.constructivemagazine.com/news/mccloud-recruited-self-build-push>

⁷ See: National CLT Network website: <http://www.communitylandtrusts.org.uk/what-are-clts>

⁸ Housing Challenges and Opportunities, officer report to the Housing Select Committee, 18 January 2012, p4

⁹ Ibid, p7.

3. Right to Buy / Preserved Right to Buy / Right to Acquire

- 3.1. Right to Buy (RtB) is a policy introduced in the late 1960s in Greater London that gives secure tenants of Council and Housing Association (HA) homes the legal right to buy the home they are living in. Councils are permitted to retain the receipts and use them to develop new, replacement affordable homes. Preserved Right to Buy refers to situations where a council home has been sold to another landlord (such as a HA) whilst a tenant is living in it but the tenant has retained the right to purchase the property. Right to Acquire (RtA) is a similar scheme that is available to tenants of self contained Registered Provider properties built or purchased after 1st April 1997.

Recent Policy Changes

- 3.2. In March 2012 the then Housing Minister, Grant Schapps, announced the final guidance on a series of major policy changes designed to reinvigorate the governments RtB scheme. This included an increase in the maximum discount from £16,000 to £75,000 (depending on the type of property and the length of time the tenant has lived there) that has applied since 1st April 2012. The increased discount does not apply to properties that are eligible under Right to Acquire.
- 3.3. Additionally it was announced that after the deduction of cost and compensation for any loss of income to the Local Authority the Treasury and local authorities would receive the same amount they would have expected to receive had the RtB policy remained unchanged. Local Authorities would then be able to use part of their receipts from the RtB sales to fund replacement housing provided they enter into an agreement with the government that they will limit the use of RtB receipts to cover only 30% of the replacement dwelling.
- 3.4. The government expects that any new housing provided would be in the affordable rented sector which could mean that tenants are being charged up to 80% of the total market rent. This would equate to around £193.60 per week for a two bedroom property in the borough.¹⁰

Advantages of RtB

- 3.5. The main advantage of RtB is that it allows a social tenant to purchase their own home at a discounted rate.
- 3.6. This can be very attractive to tenants such as Mrs Mead from St John's Court who gave evidence to the committee. She had lived in her home for over 30 years, since she was 18 years old, and when she came to buy the house in 2000 the cost of the mortgage repayments were in fact less than the cost of continuing to rent the property.

¹⁰ Based on the 80% of the median rent for a two bedroom property in Lewisham according to figures provided by the Greater London Authority available online:
<http://legacy.london.gov.uk/rents/search/results.jsp?x=537666.588922&y=174001.711905&propertyType=twobed>

- 3.7. Mrs Mead also advised the committee that the process of applying to buy her home through RtB was simple, although she did have some support with the administration from her family.

Disadvantages of RtB

- 3.8. The main disadvantage of RtB to the tenant is the costs associated with the buying and owning a property. Buying a property involves applying for a mortgage – a process that is difficult in the current economic climate and one that involves various fees and charges.
- 3.9. It should be noted that whilst Mrs Mead acknowledged that she found the process of obtaining a mortgage relatively straightforward in 2000, she felt that the process would be more difficult now. This was reinforced by Orville Phillips of Lewisham Homes, who advised that he knew of a tenant in Lewisham who was struggling to obtain a mortgage despite the RtB discount bringing the value of the property down to almost £100,000.
- 3.10. Additionally there are many costs involved with owning a home as homeowners take on the responsibility for repairs and maintenance. Leaseholders in flats are also more likely to be liable for the cost of major works and the decision on when to carry out these works is out of their hands.
- 3.11. The evidence supplied by Ms Jacob Da Silva, a leaseholder from the Passfields Estate, highlights a case of a leaseholder being charged for work that they had very little control over. This situation was particularly extreme given that the property was in a listed building, which increased the cost of the work, and there were limits to what modifications could be made to the property. Ms Jacob Da Silva estimated that she had spent between £20,000 and £30,000 on major works which had added no value to her property despite having lived in it for five years.
- 3.12. Ms Jacob Da Silva and Mrs Mead both stated that they would reconsider their decision to purchase a property under RtB given their experience of home ownership.

Recommendation:

- R1 Lewisham Council and partner organisations need to ensure that all residents are aware of both the benefits and the pitfalls of choosing to buy a home through the Right to Buy Scheme.

- 3.13. In theory the RtB scheme should help create a natural mix of tenures in the local community but the evidence supplied by the officer report suggests that these properties are often bought and then rented out, potentially to homeless households or people on housing benefit. Figures released in the national press on 6th March show that of the 5249 leasehold residential properties owned by Lewisham, 1694 (32%) have “correspondence

addresses” which could suggest that they are being sub-let by their new owners. These same figures also showed that one local landlord owned a total of 6 ex-council properties.¹¹ This evidence suggests that promoting RtB is doing little to improve the mix of tenures, especially in parts of the borough that have high concentrations of social rented housing such as Deptford, New Cross, Lewisham, Lee Green, Catford, Forest Hill and Sydenham as identified by the Unitary Development Plan in 2004.

Recommendation:

R2 Lewisham Council should explore options to limit the number of RtB leaseholder sub-letting their properties or selling them to local private landlords. This could include exploring options for charging leaseholders for renting their property in the first five years and looking at options for giving the council first refusal on the property in the event of a sale.

3.14. Whilst individual sales under the RtB scheme do not directly affect the retained stock or stock transferred to Registered Providers, there is a cumulative effect. The table provided in the officer report demonstrates the effect of one RtB sale on Council income, using the average rent of a Lewisham Homes property at the beginning of 2012 / 13:

Rental Income (Less 2 % Voids)	-£4,458.49
Less Management Costs	£1,285.95
Less Maintenance Costs	£1,745.44
Less Capital Costs	£1,115.83
Net Position	-£311.27

3.15. Based on these figures the 12 RtB sales that had been completed between 1st April 2012 and early January 2013 have resulted in a loss of income for the Council totalling £3,735.24. Whilst this is not a lot of money, other evidence suggests that some residents may be waiting for Decent Homes work to be completed before applying for the RtB scheme so this figure could rise as the year progresses. Additionally, there is a need to factor in the loss of 12 properties that would otherwise have remained available to meet the needs of those registered as priority homeless.

3.16. Officers also expect the increased discount on offer since April 1st to have an effect on the number of applications for the RtB scheme this year. Based on current trends they estimate that roughly 249 applications to purchase one of the Council’s 15,364 properties will be received between April 2012 and 31st March 2013. This is a significant increase on the total of 58 forms received in 2011 / 12.

¹¹ See <http://www.mirror.co.uk/news/uk-news/right-to-buy-housing-shame-third-ex-council-1743338>

Promoting Right to Buy

- 3.17. The new guidance for RtB requires local authorities to be proactive in promoting RtB and Lewisham Homes have complied with this by advertising in their newsletters, on their website (see Appendix A) and in local housing offices. The Government also advertises locally and recently ran a poster campaign at bus stops in Lewisham.

Other schemes available locally to promote home ownership

- 3.18. An Officer report was taken to the Housing Select Committee meeting on 6th March detailing changes to the Cash Incentive Scheme (CIS) which is run by the Council. This allows a Council tenant to receive a grant based on the size of their property to help them buy a property on the private market anywhere in the UK and free up their current property to be re-let by the Council.
- 3.19. The changes to the CIS have yet to be agreed by Mayor and Cabinet, but the proposal taken to the Housing Select Committee sets out the following grants to be awarded to a CIS mover based on the property returning to the Council:

Type of property returning to the Council	Grant for releasing a flat	Additional £5,000 grant if releasing a house
5 bed	£39,000	£44,000
4 bed	£34,000	£39,000
3 bed	£29,000	£34,000
2 bed	£26,000	£31,000
1 bed	£21,000	£26,000

- 3.20. Despite the difference between the incentive and the potential RtB discount, there are advantages to both the Council and tenants of choosing the CIS over the RtB scheme. The tenant can choose to buy a house anywhere in the borough, in London, or in the UK; potentially in an area where they are more likely to secure a mortgage. The Council is able to help tenants access low cost home ownership whilst retaining its own housing stock to help those on the housing waiting list.

Recommendation:

- R3 Lewisham Homes should promote the Cash Incentive Scheme alongside Right to Buy to ensure that tenants are aware of all the options available to them.

4. Shared Ownership / Shared Equity

- 4.1. Traditional Shared Ownership enables someone to purchase a new or existing home from a housing association. They purchase the maximum share in the property that they can afford with a minimum requirement of 25% and maximum of 75%, and pay rent on the remaining share. Properties are either brand new or being sold by existing shared owners. The rent on the outstanding share is usually set at a maximum of 3% on the value of that

share when the home is first sold. Rent levels on resale homes can be higher.

4.2. There are currently a number of other Shared Ownership / Shared Equity products available in Lewisham including:

- *First Buy*: potential buyers are offered an equity loan of up to 20% of the full purchase price which is interest free for the first five years – after which buyers will pay a fee on the equity loan of 1.75%, rising annually by the increase in the Retail Price Index (RPI) plus 1%. Buyers are expected to raise the remaining 80% of the cost of the property through their deposit and mortgage. This scheme is funded by the developer and the Government. Barratt Homes are offering FirstBuy Homes in the Renaissance Development in Loampit Vale.
- *HomeBuy Direct*: similar to FirstBuy – the only difference being that purchasers are offered a loan of up to 30%. It should be noted that there are only a limited number of properties still available in London via this product.
- *Rent to Buy*: allows prospective buyers to rent a new build property at a rent 20% lower than they would expect to pay on the open market for up to 5 years with the option to buy the home through a shared ownership arrangement when they are ready to do so.
- *Newbuy*: this scheme is aimed at first time buyers who only have funds for a 5 – 10% deposit on a home they wish to buy in England. Participating lenders will provide a 90 – 95% loan-to-value mortgage to buyers who meet the qualifying criteria.
- *Armed Forces Home Ownership Scheme (AFHOS)*: a scheme designed specifically to provide assistance for qualifying service personnel (between 4 – 6 years continuous service and unable to afford a suitable home on their own) to purchase a home on the open market. Eligible service personnel will have access to an equity loan of between 15 and 50% of the value of the home that they choose. This scheme is administered by Swaythling Housing Society.

4.3. Appendix B provides information on a wide range of historic shared ownership / shared equity products that were also considered by the committee as part of the evidence taken for this review.

4.4. The majority of the products, both current and historic, have been channelled through the “Homebuy Agent” which has acted as a one stop shop for applications by potential purchasers or intermediate renters, and for marketing properties for all providers. This service, known in London as FIRSTSTEPS, has consistently been provided in London by a partnership arrangement involving London and Quadrant and the Metropolitan Housing Trust. This service ceased to exist on April 1st 2013 as a result of the policy changes that will be outlined below.

Recent Policy Changes

- 4.5. In September 2012, the Mayor of London issued a funding prospectus relating specifically to homes for working Londoners as part of his Housing Covenant. Through this he requested bids for a flexible product that can be any of the following:
- “Rent to save” – similar to “Rent to Homebuy,” the tenant pays a rent of up to 80% of the market rent and commits to saving a deposit within 5 years to purchase.
 - “Traditional Shared Ownership” - applicant buys between 25% and 75% of property and pays a rent on the unsold equity of up to 2.75% p.a.
 - “Equity loan” - a maximum loan of up to 20% of the property value with an interest fee of 1.75% of loan charged from year 6 of home ownership
- 4.6. Properties relating to the flexible product should be owned by a Registered Provider at the time of first letting/sale. This is for regulatory reasons and helps to ensure that the grant is recycled.
- 4.7. The Housing Covenant also announced the abolition of the “Homebuy Agent.” The Greater London Authority (GLA) is attempting to streamline the process by making applicants deal directly with each Registered Provider. The GLA will provide a portal website linking to each provider’s marketing website. The South East London Housing Partnership, which includes Lewisham, is exploring options to maintain the “Homebuy Agent” service as they believe that its loss will have a detrimental impact upon Local Authority (LA) and Registered Provider workloads and resources, in addition to complicating the process for potential applicants.

Advantages of Shared Ownership / Shared Equity

- 4.8. The evidence supplied to the committee by the officers and marketing representatives from London and Quadrant (L&Q) and Family Mosaic suggests that there were very few advantages of Shared Ownership and Shared Equity Products outside of the fact that they offered residents one option of getting a foot on the property ladder. In particular, this could be beneficial to those on the housing list who will never realistically be a high enough priority to be housed in social/affordable rented accommodation. These tend to be low income, working households who are unable to buy on the open market. Some buyers of a shared ownership property eventually buy 100% of the equity, suggesting it is an option for low cost home ownership.
- 4.9. Shared Ownership and Shared Equity products are often criticised, as home owners can become “trapped” with a high rent and a high mortgage payment if their financial situation changes; however, the evidence provided to the committee by Debbie Coombs (Family Mosaic) and Lucy Chitty (L&Q) suggested that it was possible for tenants to staircase down to a lesser share of the ownership or even to a normal tenancy arrangement. This could be attractive to residents who would be concerned that they would stand to lose a home bought on the open market if they fell into financial difficulties.

- 4.10. Additionally, the evidence provided by Family Mosaic and L&Q suggested that they offered additional support to residents in financial difficulty, including: referrals to a credit control team who offer information, advice and guidance on selling their home, stair-casing down and managing arrears.

Disadvantages of Shared Ownership / Shared Equity

- 4.11. The main disadvantage of buying a shared ownership home is the risk of repossession if the buyer falls into financial difficulty. Purchasers can sometimes find it difficult to sell a property if they only have a share and haven't been able to purchase the whole property. As the Registered Provider will still own a percentage, they have first refusal to buy the property, but generally the resale will be advertised via the Homebuy Agents webpage.
- 4.12. The officer report considered by the committee suggests that the cost of some shared ownership schemes do not necessarily compare favourably with an outright mortgage. An example offered in the report is the Pride of Deptford scheme in the north of the borough, where the BBC's mortgage calculator suggests that purchasers could be liable for a monthly interest-only mortgage payment of £525 (based on 3% interest over 25 years) whilst the total monthly cost under the shared ownership scheme (mortgage and rent) worked out at £742.
- 4.13. Shared ownership / equity products are affected by the general housing market. In the current adverse economic climate, purchasers require a substantial deposit which is often out of reach due to restricted access to credit, below inflation wage rises and the high cost of living. This results in a loss of supply of Shared Ownership properties as Registered Providers become less likely to take the risk of developing large numbers of Shared Ownership properties, instead preferring to deliver higher numbers of new affordable homes. Conversely when finance is more easily accessible, the demand for shared ownership products can be lower, as the cost of the mortgage and the rent compares unfavourably with the cost of a traditional mortgage arrangement.
- 4.14. An additional disadvantage of Shared Ownership is the fact that a purchaser will need to pay insurance costs as well as 100% of the cost of the repairs and maintenance, despite the fact that they do not own 100% of the property. L&Q and Family Mosaic acknowledged that this was the case, but they stressed that the rental charge was based on the "tenant" holding a full insuring and repairing lease. They also pointed out that these issues would be known to the prospective purchasers in advance of them opting to take up a shared ownership option.

Recommendation:

- R4 Lewisham Council and Partner Organisations need to ensure that all residents are aware of both the benefits and the pitfalls of choosing to buy a home through a Shared Ownership / Shared Equity scheme.

- 4.15. The differing and ever changing products on offer can be confusing to the potential purchaser and may prevent people fully considering low cost home ownership as an option, preferring to remain in social, affordable or private rented accommodation. Choices may become more confusing with the abolition of the Homebuy Agent in April 2013.

Recommendation:

- R5 The Housing Select Committee support the South East London Housing Partnership in their efforts to maintain a portal website to make it easier for residents to navigate the range of Shared Ownership / Equity options available locally.

DRAFT

5. Self Build / Custom Build

- 5.1. Self build provides an opportunity for residents to build their own home through a variety of different approaches. A private resident can purchase a piece of land, get planning permission and build their own home to live in or sell with very little involvement from the Council. Alternatively a group can approach the Council and a proposal can be developed together.

Options

- 5.2. In his evidence to the committee Ted Stevens, Chair of the National Self Build Association, was very keen to stress that a self build home does not necessarily need to be a “Grand Design” – the majority of Self Build homes are modest structures. In fact self build properties do come in all shapes and sizes, from the timber-framed properties at Segal Close (see below) to a standard brick property.
- 5.3. Self Build / Custom Build schemes can involve varying degrees of input from the self builder, ranging from the complete build being undertaken by the self builder, to assisted build where certain specialist trades can be supported, leaving the self builder to carry out only the final decorating and fixing work. Projects can fall anywhere along this spectrum and as technology changes, the options increase and modern alternatives could now include off-site manufacture methods, where the majority of the building work takes place in a factory resulting in less work for the self builders when they get on site.
- 5.4. The committee were provided with the details of a number of other self build projects that are ongoing in other parts of the country which have been included as Appendix C of this report. These demonstrate a range of designs, from the terraced and semi-detached properties developed as part of the projects in Lancaster and Cornwall, to the eco-friendly earth sheltered / straw bale homes built in Nottinghamshire and Leeds respectively.

Segal Close

- 5.5. The committee considered a case study of the Walter Segal-inspired self build development at Segal Close near Honor Oak. Segal was a Swiss architect who had developed a method of building using a modular, timber frame system that allowed for ease of construction and low maintenance whilst minimising the need for “wet trades” such as bricklaying and plastering.
- 5.6. This scheme was developed in the late 1970s, with support from the Lewisham Council Housing Committee, on a steep site that was deemed unsuitable for the development of standard council housing. It allowed those in housing need, mostly without building skills, to design and build their own homes. It was one of the first Local Authority backed self build schemes in the country.
- 5.7. The finished site provided homes for 14 families on the housing waiting list and was considered such a success that the council commissioned a second

similar scheme comprising 13 two-story houses at what is now Walter's Way in Honor Oak Park. Subsequently, the role of developing social housing has passed to Housing Associations, who developed a further 5 sites in the 1990s.

- 5.8. The success of the Segal Close self build scheme triggered the initial interest in self build in the 1970s, and the market continued to grow until it peaked at almost 20,000 completions per annum across the country in 1997.

Demand

- 5.9. Figures provided by Ted Stevens demonstrate that 53% of people want to build their own home at some stage. This is based on a Building Societies Association survey carried out in October 2011. A further breakdown of these figures show that 30% of people want to build their own home within the next five years, 12% want to start a project within the next year and 1 in 4 are keen on being involved in a group self build. Additionally, 400,000 people searched www.rightmove.co.uk in September to find a plot for a self build.
- 5.10. No figures were provided showing local demand but the officer report provided as part of the written evidence suggests that the Council has been approached by a number of groups on proposals for a Self Build scheme at the Church Grove site in Ladywell.

Recommendation:

- R6 Lewisham Council should measure the demand / interest in self build locally

- 5.11. Ted's evidence also demonstrates that a large number of local authorities across the country are looking at creating some sort of self build development - see appendix D. These include rural authorities such as Cherwell, urban areas like Stoke and London Boroughs such as Newham, who are looking at building eight self build units on a site set aside by the GLA.

National and Regional Policy

- 5.12. Three key documents have recently informed the policy position on Self Build. The first is "An Action Plan to promote the growth of self build housing" which was produced by the Self Build Government – Industry Working Group in July 2011. This document contained a series of recommendations around land and procurement models, finance and lending, regulations and red tape, and the self build industry itself. These recommendations informed the National Planning Policy Framework (March 2012) which sought to ensure that Local Authorities were proactively assessing local demand for self build land and making provision to meet that demand. They also were the basis for the advocacy of stronger support for Custom Home Building (including £30 million funding) set out in the Government's November 2011 white paper: "Laying the Foundations: A Housing Strategy for England."

- 5.13. The committee also considered the Mayor of London's funding prospectus – "Build your own home – the London way" – as part of their evidence on self build. This funding prospectus is linked to the "Laying the Foundations" white paper and offers Londoners the chance to bid for a share of an £5 million pot of funding to support Custom Build Housing.

Recommendation:

- R7 Lewisham Council should promote the Mayor of London's "Build your own home – the London Way" funding pot to local residents who are interested in self build.

Advantages of Custom / Self Build

- 5.14. Custom / Self Build offers a number of advantages to the homebuilder and the local community. Both Ted Stevens and Jon Broome, architect of Segal Close, point to the self-confidence and life skills that self builders gain from working collaboratively and dealing with a wide range of authorities and professionals. Self build projects can also be conducted alongside training opportunities to enable self builders to build skills that could help them back into employment.
- 5.15. Those involved in self build projects, including Ted and Jon, tend to highlight the sustainable community that self build projects tend to foster as a result of the effort that goes into building and personalising each home. This gives residents a real stake in their homes and the community in which they live and this is backed up by the length of time self builders tend to stay in their completed properties – Ted's evidence suggested that they moved on average only once every 25 years compared to the national average of once every 6 years. On a local level, figures show that of the 14 families who moved into Segal Close in the late 1970s only 4 had moved on by 1995 and one of these (Jon himself) had moved into another self build home.
- 5.16. The cost of building a self build home can be significantly lower than the cost the council would pay to build social housing. Ted's evidence suggests that a basic house could be built for around £30,000 - £40,000 whilst a home built to a "social housing specification" could be built for around £100,000, which would compare favourably to the estimated average cost of £150,000 per new build unit quoted in the Housing Matters programme. The costs would obviously depend on the size of the property, how straightforward the construction methods are, and how much self-help labour the builder was prepared to undertake. An additional advantage of self build homes is that they tend to be energy efficient and therefore the ongoing running costs tend to be reduced.
- 5.17. Self builders can also boost the local economy as they are more likely to source materials locally and hire in local tradesmen to help with the work on their homes.

Disadvantages of Self Build / Custom Build

- 5.18. The evidence provided to the committee acknowledged that sourcing land for self build schemes in London can be difficult. This is particularly relevant in the current economic climate where LAs are being asked to make savings and are therefore reluctant to lose out on even a portion of the capital receipt that can be gained from simply selling land on the open market. There are, however, opportunities for councils to be creative and recognise the potential of self build homes to help meet local housing priorities, but these will be discussed in the next section.
- 5.19. Accessing finance to fund a self build / custom build property can be more challenging and involve extra fees when compared to a mortgage to buy a home outright. This is because lenders often wish to release the money in stages so they can check on the ongoing progress of the work on the property.

Recommendation:

- R8 Lewisham Council should work with local partners such as the credit union to open up new finance options for any potential Self Build / Custom Build projects in the borough.

- 5.20. Self build / custom build properties can take longer to complete than a housing development undertaken by a contractor, given the potential additional training needs for the self builders and the amount of manpower each self builder can realistically bring to the project. As Jon Broome highlights in his evidence, “more or less unskilled self-builders working more or less part time with generally fewer resources of plant and tools than a contractor and building to a higher quality than many contractors will never be a quick solution to housing problems.”

Potential for Innovation

- 5.21. Arguably Self Build / Custom Build has more potential for innovation on behalf of the Council than the other options for low cost home ownership highlighted in this report. Self Build / Custom Build also has the potential to aid the wider community by increasing skill levels amongst self builders and fostering an improved community spirit.
- 5.22. Some of the innovations on behalf of the Council could help overcome some of the issues highlighted above.
- 5.23. In terms of providing affordable land for development, the Council could look at helping set up a Community Land Trust (see section 6 of this report), setting up an arrangement whereby land is only paid for in the event of a self builder selling a house or encouraging groups to group together to buy land.
- 5.24. Ted Stevens stressed in his evidence that there is a need for Councils to think creatively if they wish to support Self Build, as it would be possible to set parameters or criteria that would ensure that self build homes help meet local priorities. Lewisham can learn from their own history, as the previous self build schemes in Honor Oak were restricted to those on the housing waiting list.

Recommendation:

- R9 Lewisham Council should explore all options for providing appropriate affordable land to Self Build projects that help meet local housing needs.

- 5.25. Additionally, some of the sites being considered for infill development under the Housing Matters programme may be suitable for self build, particularly those sites that have been deemed unsuitable for development by the Council.

Recommendation:

- R10 Lewisham Council should re-explore the sites that have been considered for infill development under the Housing Matters Programme with a view to making any suitable sites available to self builders.

6. Community Land Trusts

- 6.1. Community Land Trusts (CLT) are non-profit, community-based organisations that are usually run by volunteers that develop housing, workspaces, community facilities or other assets that meet the needs of the community. They are owned and controlled by the community and are made available at permanently affordable levels.
- 6.2. According to the CLT handbook, provided as part of the written evidence to the committee, a CLT has five key features:
- Community-controlled and community-owned – set up and run by the community and for the community.
 - Open democratic structure – membership should be open to those who live and work in the local community and these members should be actively engaged in the work of the CLT.
 - Permanently affordable housing – the home or other asset must not just be affordable for the first buyer but the affordability must be maintained in perpetuity.
 - Not-for-profit – any profits generated must be used to further the community's interests.
 - Long-term stewardship – a CLT does not disappear when a home is sold or let but it retains a long term role in stewarding the homes.

Advantages of a CLT

- 6.3. The main advantage of a CLT is the ability to provide permanently affordable housing to meet local housing needs. There are a number of options for doing this including shared equity arrangements. The committee were informed by Dave Smith of the East London CLT of their formula-based system that ties the value of housing in the CLT to the local median wage. The ground lease for properties in the CLT is purchased using the formula, and in the event of a sale, the same formula is applied again to determine the value of the house. This allows the homeowner to receive a fair return on their investment whilst any new owner will pay a fair price for their property.
- 6.4. Arguably, CLTs can have a more positive impact on the whole community compared to the other options for low cost home ownership. Membership is not limited to residents of the homes in the CLT but it is open to the whole community as is the case in East London where local residents can pay £1 to join the CLT. Through a combination of the ground rent collected for the properties and the membership fees, Dave estimates that the members of the CLT will be able to vote on how to spend an estimated £45,000 on improvements in the local area.
- 6.5. CLTs can develop with little or no financial assistance from the Council, as was the case with the East London CLT who expect to pay £3 million direct to the developer for the properties in the CLT and expect to receive £3.8 million in rent in the first year. The only funding they expect to need is a bridging loan to help buy the land.

- 6.6. It is also possible that Local Authorities may need to supply discounted or free land for any CLT scheme to work in the borough. As mentioned in the previous section, it is possible to use a CLT to release land for self build projects.

Recommendation:

- R11 Lewisham Council should explore a Community Land Trust as an option for releasing land for self build projects.
- R12 Lewisham Council should re-explore the sites that have been considered for infill development under the Housing Matters Programme with a view to making any suitable sites available to groups wishing to set up a Community Land Trust.

Disadvantages of a CLT

- 6.7. It can be difficult for those wishing to purchase a home in the CLT to obtain a mortgage from a high street bank as banks are concerned about their position in the event of a default. To mitigate against this, the East London CLT have taken a position that in this situation, the bank could sell the property on the open market.

Recommendation:

- R13 Lewisham Council should work with local partners such as the credit union to open up new finance options for any potential CLT in the borough.

- 6.8. Buying a home in a CLT may not be as cheap as some of the other options being explored as part of this review but it is open to anyone in the local community and does not have the same restrictive criteria as other schemes such as shared ownership and right to buy.

Potential in Lewisham

- 6.9. Actively pursuing CLTs as an option for low cost home ownership may initially require large amounts of Local Authority time and possibly funding to support the development of a CLT.
- 6.10. Evidence to the committee from Dave Smith suggests that CLTs must arise from an active community group that is already in place. A Council cannot impose a CLT, but there are measures that can be taken to encourage and facilitate the creation of a CLT locally as detailed in the recommendations above.

Recommendation:

- R14 Lewisham Council should create a local version of the CLT Handbook to simplify the process for any local community groups thinking of approaching the Council to set up a CLT.

7. Monitoring and ongoing scrutiny

Recommendation:

R15 A further report on low cost home ownership, including updated information relating to the recommendations set out in this report should be brought before the Housing Select Committee in the 2013/14 municipal year.

DRAFT

Selected Sources

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- Dunton, Joseph and Broome, Jon, *Lewisham Self Build: Segal Close and Walters Way – Case Study* as published in the agenda for Housing Select Committee meeting on 6th March 2013
- East London Community Land Trust Website - www.eastlondonclt.co.uk
- Executive Director for Customer Services at the London Borough of Lewisham, *In depth review into low cost home ownership – evidence session one* - as published in the agenda for Housing Select Committee meeting on 4th February 2013
- Gov.uk – including Department of Communities and Local Government Information.
- Harrington, Catherine and Seagrief Rose (eds), *CLT Handbook*, (National CLT Network, 2012)
- Heywood, Andrew, *The end of the affair: implications of declining home ownership* (The Smith Institute, 2011)
- Mayor of London, *Build Your Own Home – The London Way* (Greater London Authority, 2012)
- Minutes of the Housing Select Committee meeting on 4th February 2013
- Minutes of the Housing Select Committee meeting on 6th March 2013
- The Community Land Trust Network – www.communitylandtrusts.org.uk
- The London Rents Map – available online at legacy.london.gov.uk/rents/
- The National Housing Federation, *Shared Ownership Facts and Figures* (2010)

Appendix A

Lewisham Homes Right to Buy Website:



WANT TO GET INVOLVED? Request a copy of our Residents' Compact and find out how! ☎ 020 8613 7660

8

Changes to the Right to Buy

From 2 April there are major changes happening to the Right to Buy (RTB) Scheme. Most secure tenants have the right to buy their homes at a discounted price once they have been public sector tenants for a minimum of five years.

The Government announced that they would be increasing the maximum RTB discount up to £75,000 from 2 April 2012.

The exact amount of discount depends on the market value of your home and the length of time that you have been a tenant.

Making the right choice

Becoming a homeowner is one of the most important decisions you will make. We have a team who can help you with your application and discuss the benefits, costs and obligations of becoming a homeowner.

Our advice is free and in most cases we can provide the same service as those who charge. We do not receive any commission from mortgage companies or other organisations.



We have a team of officers who can help with your Right to Buy application free of charge.

Leasehold Services
Right to Buy application process

SOLD

Lewisham Homes

Get your free information booklet or talk to a member of the RTB team today!

☎ 0800 028 2 028 press 5
@ leasehold@lewishamhomes.org.uk
www.lewishamhomes.org.uk

Things to consider when buying your home



If you sell your home five years after buying it, you won't need to repay any of the discount. (NB - you will have to repay some or all of the discount if you sell within the five year period)



You will need to arrange and pay for all repairs inside your home, including repairs to your central heating.



If you have a mortgage it will include interest on the amount you have borrowed and your interest rate may increase over the years.



If you buy a leasehold property (flat or masonette) you will pay service charges to cover works to shared areas of the block and services to your property which may include caretaking, antisocial behaviour etc.



As a homeowner you cannot claim housing benefit. The Department for Work and Pensions does provide some help with mortgage payments if you run into financial difficulty, but this may not cover all of the monthly mortgage payment.



If you do not pay your mortgage, your home may be repossessed.

www.lewishamhomes.org.uk

Appendix B

Historic shared ownership / shared equity products

Homebuy

- 1.1. Homebuy is the umbrella term for a number of home ownership products, however historically it referred specifically to a product aimed only at existing tenants and people on the waiting list. The applicant would need to be able to get a mortgage for 75% of the purchase price. The remaining 25% was provided through a loan from the RP. There were no loan repayments until the property was sold. Repayment was based on 25% of the sale value.

London Wide Initiative (LWI)

- 1.2. London Wide Initiative was a shared equity product for key workers, and in some cases local residents, at specific developments across London. Through LWI, the government retains a percentage of equity in a home and the home buyer did not need to make any monthly payments on the government's share. If the home buyer left their key worker profession within the first three years of ownership then they repaid the government's share or sold the home.

Open Market HomeBuy

- 1.3. Open Market HomeBuy helped first time buyers and key workers buy a home of their own on the open market with help of an equity loan. In 2008 two options replaced the old Open Market HomeBuy scheme that had existed since 2006, these options were MyChoiceHomeBuy and Ownhome.

MyChoiceHomeBuy

- 1.4. MyChoiceHomeBuy was a government funded, low cost home ownership product that enabled eligible applicants to choose and purchase a home of their own on the open market with the help of a flexible equity loan. Home buyers would raise a mortgage with a high street bank or building society and received a government equity loan of up to 50% of the property value. There was an annual charge on the loan of 1.75% in the first year that would marginally increase each following year.

Ownhome

- 1.5. The alternative scheme to MyChoiceHomeBuy was called Ownhome delivered by Places for People where home buyers could borrow between 20% and 40% of the value of their chosen property, up to a maximum of £165,000. No interest payments were payable on the Ownhome loan for the first five years. After five years interest was charged at a fixed rate of 1.75% each year. After a further five years this would increase to a fixed rate of 3.75% p.a.

First Time Buyers' Initiative (FTBI)

- 1.6. First Time Buyers' Initiative was a government backed scheme started in 2006 delivered through English Partnerships (the then national regeneration agency, in collaboration with the Housing Corporation). It enabled aspiring first time buyers, who could not otherwise afford to buy a new home, to purchase a new property with an affordable mortgage and with government assistance on a designated FTBI development. Assistance was paid to the participating house builder, not the first time buyer. The government would then be entitled to a share of the future sale proceeds which are equal to the initial percentage contribution required to assist the buyer. It enabled the FTBI buyer to take out an affordable mortgage (minimum 50% of the total purchase price) on which they would make repayments.

Key Worker Homebuy

- 1.7. This is an equity loan scheme that operates in a similar way to Homebuy. Qualifying key workers could obtain a loan of up to £50,000 to put towards a purchase on the open market. The amount of the loan was determined by what the key worker could afford. Unlike Homebuy, it didn't have to be 25% of the value. The loan was only repayable if the property was sold or if the purchaser stopped being a qualifying key worker. At this point, the percentage of the value that was represented by the loan at the original point of purchase was repayable to the housing association.
- 1.8. The proceeds were all recycled to provide more affordable homes for key workers.

London Challenge Key Teacher Homebuy

- 1.9. This was a highly targeted scheme aimed at teachers with specific attributes such as leadership potential, or teaching in a challenging school. The scheme operated in the same way as Key Worker Homebuy except that qualifying teachers could access equity loans of up to £100,000 to buy a home on the open market. These buyers did not have to be first time buyers.

Key worker new build shared ownership

- 1.10. This scheme operated in the same way as ordinary shared ownership except that it was only available to a defined group of key workers, defined by the then Housing Corporation. Purchasers who stopped being a qualifying key worker had to buy all of the remaining equity or sell the home to a qualifying key worker nominated by the housing association.

Do-it-yourself-shared-ownership (DIYSO)

- 1.11. The Government stopped funding Do-It-Yourself-Shared Ownership (DIYSO) homes some years ago. DIYSO worked in the same way as shared ownership except that instead of being offered a new home, the applicants themselves found a home to buy on the open market. The home could be

anywhere in England. Consequently some housing associations have a few DIYSO homes outside their usual area of management.

Home Ownership for People with Long Term Disabilities (HOLD)

- 1.12. The South East London Housing Partnership have worked with Hyde Housing Association for several years to provide innovative and flexible solutions to help residents with disabilities to stay and even purchase their own homes and to live independently.
- 1.13. HOLD is not a separate product but the route that people with long term disabilities can use to buy shared ownership properties in London. To qualify for this scheme people must:
- Be over 18 years of age;
 - Have a recognisable housing need;
 - Have a good credit history;
 - Have no outstanding debts;
 - Be receiving medium or high rate Disability Living Allowance Care Component; and
 - Be unable to work now or in the future (ideally this will have been proved through a Work Capability Assessment).
- 1.14. The scheme is only suitable for single people or for couples who are both disabled and who are both unable to work due to their disability.

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Appendix C – Other Self Build Projects highlighted by Ted Stevens

Lancaster Cohousing:

Fantastic riverside site where 41 zero carbon homes have been built, plus communal facilities like guest bedrooms, play room and workshops

Took a long time to make it happen – started in 2004 and only just finished

The homes cost £110-302k each

Builder constructed the whole lot to a design everyone had a say in.



Hockerton, Nottinghamshire:

Five families built a terrace of earth sheltered homes

Very green/off-grid solution

The families worked collectively to build the shells, then finished their own homes themselves

Worked out at about £90k per home (in 1998)

Has won many sustainability awards



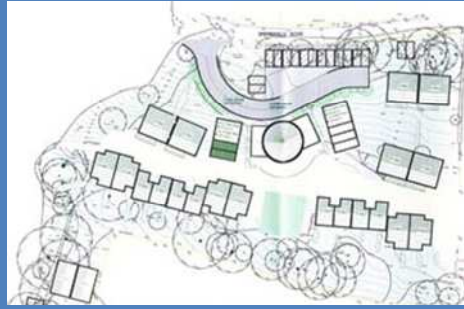
Springhill, Cohousing, Stroud:

Steep site that has become a home for 34 families – from one bed flats to five bed homes

Large 'common house' for communal meals and community activities

Built with a £4.2m loan – some homes were purchased outright; some are for rent. Typically each home cost a little less than similar homes nearby

Won numerous awards



St Just in Roseland, Cornwall:

Six homes build in 2011-12 by locals with connection to the building trade

Land purchased from farmer by Parish Council and put into a CLT – so homes remain affordable

Three bed stone clad cottages built for £60k each (plus significant fees on professionals!)

One of the best Community Self Build projects to date – Cornwall seen as a pace setter



LILAC Cohousing, Leeds:

20 homes currently being built on redundant school site three miles NW of city centre

All committed to making the homes as green as possible – uses straw bale and a panel based construction system

Built with £420k support from the HCA

Operated as Mutual Home Ownership Scheme – which ensures rents are fair and makes ownership affordable



Ashley Vale, Bristol:

Former scaffolding yard in central Bristol

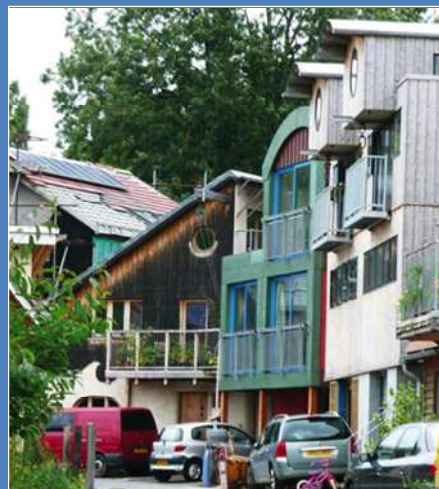
30 local families bought the site, split it into individual plots and constructed their own homes

Also provided six 'self finish' bungalows and six 'self finish' apartments in former redundant office block

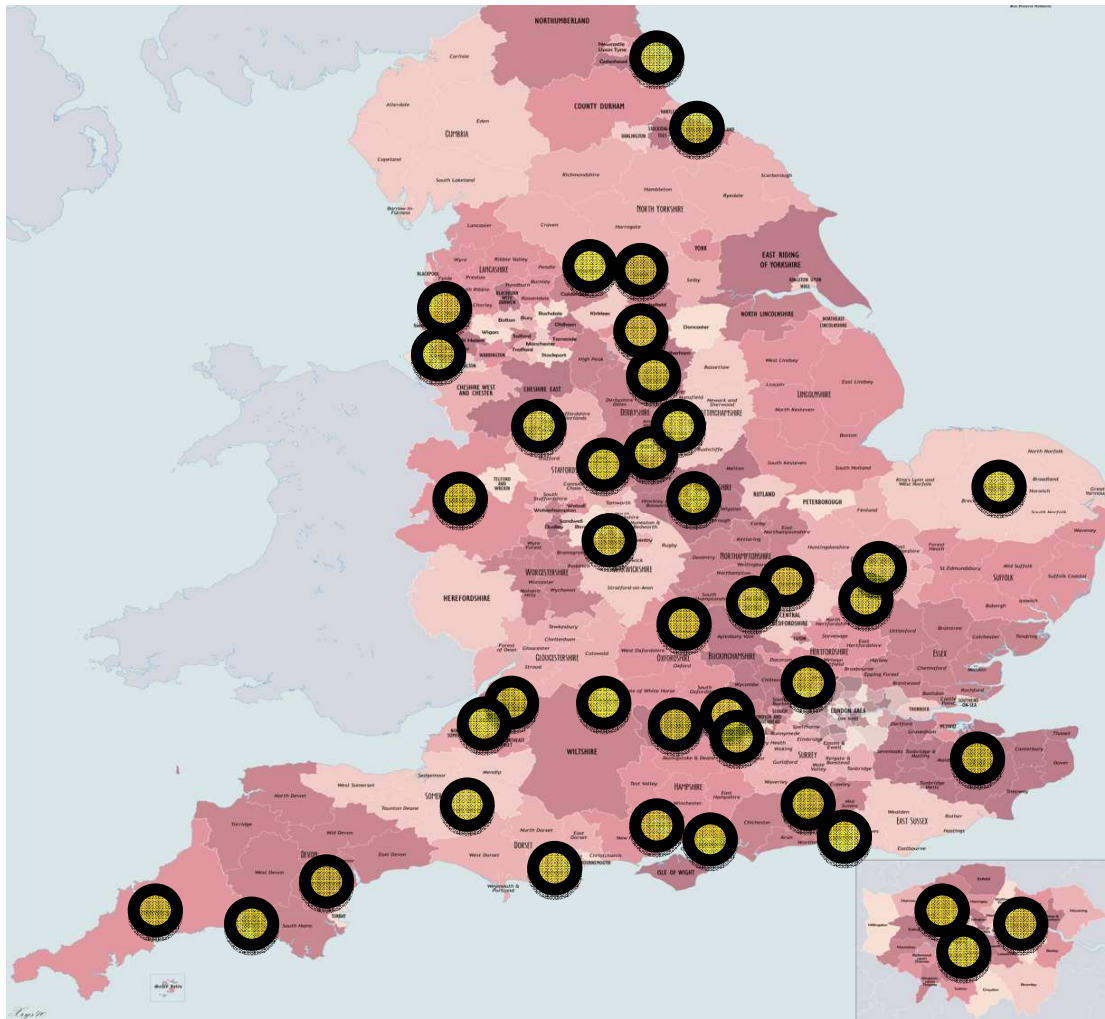
Typical homes cost less than £100k

Quality of life survey shows people are happier and feel safer

Winner of numerous planning and urban design awards



Appendix D:
Other Local Authorities looking at some sort of Self Build / Custom Build
Development.



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Housing Select Committee		
Title	Housing Matters Update	
Key Decision	No	Item No. 6
Ward	All	
Contributors	Executive Director for Customer Services, Head of Housing & Regulatory Services	
Class	Part 1	Date: 3 April 2013

1. Overview

- 1.1. This report provides Housing Select Committee with the opportunity to consider the full list of sites currently being considered by the Housing Matters programme as potential locations for new build housing.
- 1.2. A presentation will be made to Housing Select Committee setting out the latest feasibility work for each of these sites, and outlining the issues and potential next steps for each.

2. Background

- 2.1. On 16 January 2013 Mayor and Cabinet agreed that the Council should commence consultation regarding four potential new build schemes as part of the Housing Matters programme, for which a target of delivering at least 250 new homes in the next five years had been set.
- 2.2. The Overview and Scrutiny Business Panel considered the same matter at its meeting of 29 January 2013, and resolved that the Housing Select Committee should receive a presentation setting out all of the sites currently being assessed for their potential to deliver new homes.
- 2.3. This report responds to that resolution and sets out for Housing Select Committee the full list of sites currently being reviewed. Further details on progress in reviewing options for each site will be presented to the committee at the time of the meeting.

3. Recommendation

- 3.1. The Select Committee is asked to note the list of sites currently being reviewed for their potential for new build housing as part of the Housing Matters programme, and to review progress on bringing forward options on each of those sites.

4. Housing Matters new build programme

- 4.1. Following the creation of the target of 250 new homes, officers reviewed potential sites on which those homes might be built. Pollard Thomas Edwards architects was appointed to test the feasibility of building on 13 sites, and where appropriate to develop outline designs for new housing provision. Drivers Jonas Deloitte was also appointed to assess the financial viability of the options being developed.
- 4.2. At the Housing Select Committee meeting of 8 January 2013, and subsequently at the Mayor and Cabinet meeting of 16 January 2013, the early progress in undertaking this work was reported, and it was recommended that officers commence consultation with residents on four of the 13 sites under consideration. These sites offered the potential of up to 76 new homes. This consultation is still ongoing.
- 4.3. Work on all of the remaining nine sites have progressed such that it is now possible to share early designs for each. It should be noted that development on two of the sites was considered unviable, and that a third of the 13 sites was instead considered for new specialised housing for older people, and a bid for £1.8m was made to the GLA to bring forward a 52-unit scheme on the site, as was also considered at the meeting of 8 January.
- 4.4. All of the 13 sites under consideration are listed below, alongside an additional site on which officers have commenced work to bring forward a community self-build scheme.

5. Potential sites

- 5.1. The 14 potential sites are as follows:

Current consultation:

1. Dacre Park/Boone Street, Blackheath
2. Longfield Crescent, Forest Hill
3. Wood Vale, Forest Hill
4. Mercator Road, Lee Green

Non-viable sites:

5. Perrystreete, Forest Hill
6. Ermine Road, Ladywell

Site for specialised housing for older people:

7. Chiddingstone, Lewisham Central

Sites currently being reviewed:

8. Home Park, Bellingham
9. Dacre Park/Boone Street (second site), Blackheath
10. Lawn Terrace, Blackheath
11. Mercator Road (second site), Lee Green
12. Achilles Street, New Cross

13. Bampton Estate, Perry Vale

Potential self-build site:

14. Church Grove, Ladywell

5.2. The latest designs for each of these, plus the issues that arise from each, will be presented to members at the time of the meeting.

6. Conclusion

6.1. Significant progress is being made in identifying sites with the capacity to meet the target of 250 new homes in the next five years. A report specifying the next steps for the programme will be pre-scrutinised by Housing Select Committee at its next meeting, on 16 May, ahead of being considered by Mayor & Cabinet on 22 May.

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