

# Public Document Pack

## Housing Select Committee Agenda

Wednesday, 1 October 2014

**7.30 pm,**

Committee Room 3

Civic Suite

Lewisham Town Hall

London SE6 4RU

For more information contact: Timothy Andrew (02083147916) Tel: 0208 3147916)

This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed.

### 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, 1 October 2014.

Barry Quirk, Chief Executive  
Tuesday, 23 September 2014

Councillor Carl Handley (Chair)	
Councillor Peter Bernards (Vice-Chair)	
Councillor Paul Bell	
Councillor John Coughlin	
Councillor Amanda De Ryk	
Councillor Maja Hilton	
Councillor Simon Hooks	
Councillor Olurotimi Ogunbadewa	
Councillor Jonathan Slater	
Councillor Susan Wise	
Councillor Alan Hall (ex-Officio)	
Councillor Gareth Siddorn (ex-Officio)	

## MINUTES OF THE HOUSING SELECT COMMITTEE

Tuesday, 2 September 2014 at 7.00 pm

PRESENT: Councillors Carl Handley (Chair), Peter Bernards (Vice-Chair), Paul Bell, John Coughlin, Amanda De Ryk, Maja Hilton, Simon Hooks, Jonathan Slater and Susan Wise

APOLOGIES: Councillors Olurotimi Ogunbadewa

ALSO PRESENT: Timothy Andrew (Scrutiny Manager), Jeff Endean (Housing Programmes and Strategy Team Manager), Genevieve Macklin (Head of Strategic Housing) and Leigh Pattison (Development Manager, Lewisham Homes)

### 1. Minutes of the meeting held on 22 July 2014

Resolved: that the minutes of the meeting held on 22 July be agreed as an accurate record.

### 2. Declarations of interest

Councillor Wise declared a non-prejudicial interest as member of the board of Lewisham Homes.

Councillor Bell declared a non-prejudicial interest as a member of the board of Lewisham Homes.

### 3. New Homes Better Places Phase 2

Jeff Endean (Housing Strategy and Programmes Manager) and Leigh Pattison (Development Manager, Lewisham Homes) gave a presentation; the following key points were noted:

- Following changes to the housing revenue account in 2012, the Council had begun its first programme of house building in 35 years.
- Construction work had already started on the first phase of the scheme, which would deliver six new homes.
- The report set out the plans for phase two of the scheme, which recommended the delivery of more than 60 new homes.
- Some development was proposed for garage sites. A review of these garages found that few of them belonged to residents in neighbouring blocks and the majority were being used for storage.
- Where need had been identified for garages, Lewisham Homes was attempting to ensure that tenants were able to access alternative provision.
- Almost all of garden spaces which had been identified for new homes were being underused. In some instances residents didn't know that outside space was part of their property.

In response to questions from the Committee, the following key points were noted:

- At 37-39 the Boone Street site, changes had been made to the outdoor space available to residents of the scheme's bedsits. Designs had been revised to provide a communal space solely for the use of residents.
- Houses built for private sale would be sold with their freehold. Owners of private flats in blocks would be sold as leaseholds. Officers were taking legal advice about how best to manage this process.
- Officers were also considering the potential implications of right to buy.
- There were no existing proposals to offer shared ownership for any of the new homes, but this was something that could be considered for future developments.
- It was proposed that all of the new development would achieve code four of the code for sustainable homes. A range of options, including solar panels, would be considered but no decisions had yet been taken.
- Where appropriate preference had been given to individual boilers in homes, over communal heating systems.
- It was acknowledged that the linkages between the new build programme and proposals for decent homes could have been more effectively communicated and coordinated.
- The decent homes programme was prioritised to focus on the homes most in need of work.
- In homes for rent, residents tended to want living spaces with separate kitchens. In homes for sale, people tended to prefer open plan living spaces.
- Commercial sales agents were advising on the design of homes for private sale. Maximising the value of these homes was of primary importance to their design.
- New homes would meet the 'secure by design' standard. However, it was recognised that secure by design principles had to be combined with practical considerations.
- It was recommended that decision making be delegated about *the process of assessing the feasibility* of future phases of the scheme.

The Committee also discussed and noted the following points:

- It was acknowledged that there would be some difficult decisions to be made in future phases of the scheme about the use of land; sales to the private sector and options for development. The Committee believed that it would be essential for it to be involved in reviewing future development proposals.
- The Committee celebrated the benefits of the scheme and development of the existing proposals. The Committee commented on the importance of proactively communicating the positive aspects of the programme.

The Committee resolved to refer its views to Mayor and Cabinet, as follows:

- The Committee commends the aims of the programme and is supportive of the progress that is being made.
- The Committee asks that it be kept updated about the future progress of the programme.
- The Committee expects that sufficient periods of advance notice will be given for pre-decision scrutiny of future decisions. In particular, it believes that any future recommendation to delegate decision making to officers or to implement recommendations that have been made following the delegation of decision making, should be available to be scrutinised as part of a full and frank process.

- The Committee recommends that the Council make best use of all opportunities to promote the benefits of the programme.
- The Committee intends to visit the development sites once work has commenced.
- Members of the Committee wish to be involved in the procurement process.

**4. Select Committee work programme**

Timothy Andrew (Scrutiny Manager) introduced the work programme. The Committee then discussed the report. The following key points were noted:

- The main focus of the Committee’s December meeting would be the private rented sector. Invitations would be sent to Newham and Southwark Councils to attend the meeting.
- Officers would be asked to assess the cost effectiveness of implementing a scheme in Lewisham, with a particular focus on the sustainable self-financing of any future scheme.
- The Committee would consider a scoping report on communal heating systems at its meeting on 1 October.
- The Lewisham Homes and Brockley PFI mid-year reports would be moved to the committee’s November meeting.

**5. Referrals to Mayor and Cabinet**

Resolved: to refer the Committee’s views under item three to Mayor and Cabinet.

The meeting ended at 8.25 pm

Chair:

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Date:

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<b>Housing Select Committee</b>			
Title	Declaration of interests		
Contributor	Chief Executive	Item	2
Class	Part 1 (Open)	1 October 2014	

## **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;

(b) and 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 3

Housing Select Committee		
<b>Report Title</b>	Response from Mayor and Cabinet to matters referred by the Housing Select Committee – Comments of the Housing Select Committee on New Homes, Better Places phase two	
<b>Key Decision</b>	No	Item No. 3
<b>Ward</b>	All	
<b>Contributors</b>	Executive Director for Resources (Head of Business & Committee)	
<b>Class</b>	Part 1	Date: 1 October 2014

## 1. Summary

This report informs members of the response given at Mayor and Cabinet to a referral in respect of recommendations to the Mayor following the discussions held on the officer report New Homes, Better Places phase two which the Select Committee considered at a special meeting on September 2 2014.

## 2. Purpose of the Report

To report to members the response given at Mayor and Cabinet to recommendations made by the Select Committee on September 2 2014.

## 3. Recommendation

The Select Committee is recommended to receive the Mayoral response to their consideration of

## 4. Background

- 4.1 The Mayor considered the attached report entitled 'Comments of the Housing Select Committee on New Homes, Better Places phase two' referred by Select Committee at the Mayor & Cabinet meeting held on September 3 2014.

## 5. Mayoral Response

- 5.1 The Mayor received an officer report and a presentation from the Cabinet Member for Housing and the Executive Director for Customer Services.
- 5.2 The Mayor resolved that the response shown below be submitted to the Select Committee.

*3.2 The Committee commends the aims of the programme and is supportive of the progress that is being made.*

The Mayor welcomed the Committee's support

*3.3 The Committee asks that it be kept updated about the future progress of the programme.*

The Mayor asked Officers to ensure this was done

*3.4 The Committee expects that sufficient periods of advance notice will be given for pre-decision scrutiny of future decisions. In particular, it believes that any future recommendation to delegate decision making to officers or to implement recommendations that have been made following the delegation of decision making, should be available to be scrutinised as part of a full and frank process.*

The Mayor noted the views of the Select Committee.

*3.5 The Committee recommends that the Council make best use of all opportunities to promote the benefits of the programme.*

The Mayor welcomed the Committee's support

*3.6 The Committee intends to visit the development sites once work has commenced.*

The Mayor noted the intention of the Select Committee.

*3.7 Members of the Committee wish to be involved in the procurement process.*

The Mayor sought advice from the Head of Law on the Select Committee's request to be involved in the procurement process. The Mayor was advised that such involvement would not be appropriate and that the existing Constitutional provisions relating to procurement decisions should prevail. The Mayor therefore suggested that should the Housing Select Committee have concerns about procurement outcomes, these be raised with the Overview and Scrutiny Business Panel which had the authority to subject any key decision to post decision scrutiny.

## **BACKGROUND PAPERS**

Mayor & Cabinet minutes September 3 2014

If you have any queries on this report, please contact Kevin Flaherty, Head of Business & Committee, 0208 314 9327

<b>Mayor and Cabinet</b>		
<b>Title</b>	Comments of the Housing Select Committee on New Homes, Better Places phase two	
<b>Contributor</b>	Housing Select Committee	Item 5
<b>Class</b>	Part 1	3 September 2014

## **1. Summary**

- 1.1 This report informs the Mayor and Cabinet of the comments and views of the Housing Select Committee, arising from discussions held on the officer report entitled *New Homes, Better Places Phase 2 Update*, considered at its meeting on 2 September 2014.

## **2. Recommendation**

- 2.1 The Mayor is recommended to note the views of the Housing Select Committee as set out in section three of this referral and agree that the Executive Director for Customer Services be asked to respond.

## **3. Housing Select Committee views**

- 3.1 On 2 September 2014, the Housing Select Committee considered a report and received a presentation from officers about the New Homes, Better Places programme.
- 3.2 The Committee commends the aims of the programme and is supportive of the progress that is being made.
- 3.3 The Committee asks that it be kept updated about the future progress of the programme.
- 3.4 The Committee expects that sufficient periods of advance notice will be given for pre-decision scrutiny of future decisions. In particular, it believes that any future recommendation to delegate decision making to officers or to implement recommendations that have been made following the delegation of decision making, should be available to be scrutinised as part of a full and frank process.
- 3.5 The Committee recommends that the Council make best use of all opportunities to promote the benefits of the programme.
- 3.6 The Committee intends to visit the development sites once work has commenced.
- 3.7 Members of the Committee wish to be involved in the procurement process.

#### **4. Financial Implications**

- 4.1 There are no financial implications arising out of this report per se; but there are financial implications arising from carrying out the action proposed by the Committee.

#### **5. Legal Implications**

- 5.1 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

#### **6. Further Implications**

- 6.1 At this stage there are no specific environmental, equalities or crime and disorder implications to consider.

#### **Background papers**

New Homes, Better Places Phase 2 Update (Housing Select Committee 02.09.14)

If you have any queries on this report, please contact Timothy Andrew, Scrutiny Manager (ext. 47916), or Kevin Flaherty, Committee Business Manager (ext. 49327).

HOUSING SELECT COMMITTEE		
<b>Title</b>	Welfare Reform Update	
<b>Key Decision</b>	No	Item No. 5
<b>Ward</b>	All wards	
<b>Contributors</b>	Executive Director of Customer Services	
<b>Class</b>		Date: 1 October 2014

## 1 Summary

1.1 The Welfare Reform Act represents the biggest change to the welfare system for over 60 years, although much of its detail and resultant impact presents an ever changing picture, both nationally and in Lewisham. However, everyone claiming benefits will be affected in some way by the reforms.

- It is expected that national rollout of Universal Credit will be completed by 2017 however no specific dates for Lewisham have yet been identified by the DWP.
- Latest figures provided by the Department of Work and Pensions (DWP) show that 378 households in Lewisham have been affected by the benefit cap since August 2012.
- Latest data indicates the number of social tenants in Lewisham affected by the bedroom tax is decreasing – 2,788 as of September 2013 which has decreased to 2,635 as at January 2014 (more recent update to be provided at the meeting).
- Analysis by the Centre for Economic and Social Inclusion on behalf of the Local Government Association (LGA) has estimated that in 2015/16, income loss for households claiming benefits in Lewisham may be £1,835 per year or £35 per week.

## 2 Purpose

2.1 This report updates members on the latest information about Welfare Reform and specifically, where available, the impact on Lewisham residents.

## 3 Recommendation

3.1 The Committee is requested to note the contents of this report. Further updates will be made available in due course.

## 4 Policy context

4.1 On the 8 March 2012, the Welfare Reform Act received Royal Assent. The Act legislates for the biggest change to the welfare system for over 60 years. The elements of the Welfare Reform Act discussed in this report are as follows:

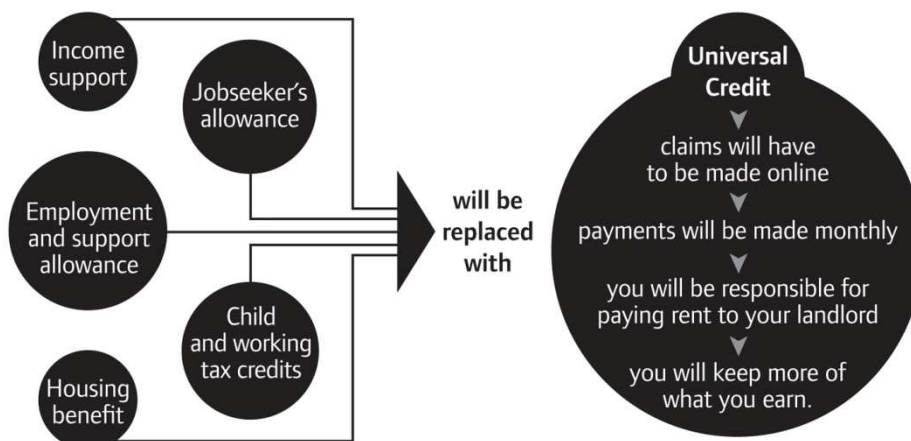
- universal credit
- the benefit cap

- bedroom tax & underoccupation
- discretionary housing payment (introduced in 2001 and not strictly part of welfare reform)
- council tax reduction scheme

## 5 Universal credit

5.1 Universal credit is a new benefit for people of working age who are either looking for work or on a low income. Its introduction aims to simplify the benefits system by bringing together a range of benefits into a single, streamlined payment. It is not applicable to pensioners although those claiming housing benefit will be affected because housing benefit will be subsumed into the universal credit payment for the majority of claimants. Pensioners will instead receive a housing credit to help towards rent as part of the new pension credit system which will be phased in between 2014 and 2017.

5.2 The benefits that will be replaced by universal credit are shown in the diagram below:



5.3 Universal credit was first introduced in April 2013 in four pathfinder areas in Tameside, Wigan, Oldham and Warrington, where newly unemployed people now receive universal credit instead of job seekers allowance. Six 'hub job centres' in Hammersmith, Rugby, Inverness, Harrogate, Bath and Shotton began taking universal credit claims from October this year - in addition to the four other centres already trialling the new system. The detailed roll out plan for universal credit has not yet been developed by the DWP, However it is still expected that all benefit claimants will have transitioned to universal credit by 2017.

### Impact update in Lewisham

5.4 Our estimates suggest that approximately 30,000<sup>1</sup> claimants in Lewisham may be affected by universal credit, meaning they are currently claiming at least one benefit which will be replaced by the new system. Clearly, numbers will fluctuate as circumstances change...

<sup>1</sup> Based on approximate number of current working age housing benefit claims.



- 5.5 Although the new benefit was not live in Lewisham, from December 2012 to February 2013, we ran a universal credit pilot testing how to support residents to transition to the new benefit. Lewisham was selected by the DWP as one of 12 local authorities asked to test the type of support residents might need to transition to the new benefit. The focus of the pilot was to work with residents affected by other welfare reforms (e.g. the benefit cap) and to support them to move into employment, sustain their tenancies, manage a monthly budget and transact online.
- 5.6 The learning from the pilot has been used to influence the next phase of work. Lewisham, in partnership with Southwark and Lambeth Council's and the local Job Centre Plus sites, was recently selected by the DWP to run a 'Universal Support-Delivered Locally' trail (previously referred to as the Local Support Services Framework or LSSF). Over the next 12 months the three councils will be working closely with Job Centre Plus colleagues to triage selected groups of benefit claimants (initially new Job Seekers Allowance and Work Programme Completers) and direct them to appropriate support services in advance of the introduction of universal credit. The learning gained from this trial will be fed into the wider roll out of universal credit and enabled the three local authorities to develop a better understanding of likely 'transitional' needs in advance of the new benefit being introduced.

## **6 Benefit cap**

- 6.1 The benefit cap places a limit on the total amount of benefits out of work households can receive. This limit is currently £500 per week for families and £350 per week for single persons without children, and includes housing benefit, jobseekers allowance, employment support allowance, income support and child tax credit. The benefit cap will be integrated into the administration of universal credit when it eventually gets rolled out. However, in the interim period, DWP are making deductions from housing benefit. Persons who qualify for working tax credit are exempt from the cap. To qualify for working tax credit, lone parents need to work 16 hours per week and couples 24 hours per week. Persons are also exempt if they are living in supported accommodation or if they are claiming one of the following benefits:
- Disability Living Allowance
  - Personal Independent Payment
  - Attendance Allowance
  - Industrial Injuries Benefit
  - Employment Support Allowance (if paid with the support component)
  - Armed Forces Compensation Scheme payments
  - War Pension Scheme payments (including War Widow's/Widower's Pension and War Disablement Pension).

## **Impact update in Lewisham**

6.2 The benefit cap came into effect in Lewisham on 12 August 2013. A number of local strategies continue to be promoted in Lewisham to help affected persons manage the financial impact. In summary, these include finding work to become eligible for working tax credit and thereby becoming exempt from the cap, moving to cheaper accommodation either in the social or private rented sector or in some cases, moving out of London where rents are less expensive, and budgeting for those persons whose loss is relatively minor and who may be able to manage the shortfall in housing benefit through other means.

## **7 Bedroom tax & underoccupation**

7.1 Welfare reform has cut the amount of benefit that persons can receive if they are deemed to have a spare bedroom in their council or housing association home. This measure was introduced for housing benefit claimants of working age from 1 April 2013.

7.2 The power to reduce housing benefit in this way is commonly referred to as the bedroom tax or underoccupation penalty. Unlike tenants in the private rented sector, rent levels for tenants in the social rented sector were not previously determined by the size of the household. This has now changed meaning housing benefit is reduced for persons of working age living in social housing who live in a property which is too large for their needs.

7.3 The reduction in housing benefit is 14% or up to £14 per week for tenants with one extra bedroom and 25% or up to £32 per week for tenants with two extra bedrooms or more. One bedroom only is allowed for each person/couple living as part of a household but the size of the bedroom is not considered as part of the calculation.

## **Impact update in Lewisham**

7.4 As of January 2014, there were 2,635 tenants affected by the bedroom tax in social housing across Lewisham. In September 2013, this equivalent figure was 2,788, meaning that there has been a decrease of 153 tenants affected by the bedroom tax over an approximate four month period (the biggest reduction was amongst single adults and lone parent families).

7.5 Four registered provider partners (housing associations) report that they no longer have any Lewisham tenants affected by the bedroom tax. These providers are Habinteg, St Mungo's, Aurora Options and Affinity Sutton.

7.6 The table below shows the five largest housing providers in Lewisham who also report a decrease in the overall number of tenants affected by the bedroom tax since June 2013. Furthermore, at the time of writing, Lewisham Homes report that approximately 61% of households affected by the bedroom tax are in rent arrears. Of these, the majority are not currently registered for a move, indeed, only 101 households have requested to move for this reason thus far. Similarly, Phoenix Community Housing report that 66% of household affected by the bedroom tax are in rent arrears.

Housing provider	Total in September 2013	Total in Jan 2014	Total decrease
Lewisham Homes (inc Regenter B3)	1130	1006	124
Phoenix Community Housing	502	487	15
L&Q	496	486	10
Hyde	198	187	11

- 8 As of the end of August 2014, there were 756 households registered as underoccupying on the housing register. The equivalent figure in March 2014 was 730 representing an increase of 26 in the past five months. Underoccupiers currently represent over 75% of band 1 applicants and over 8.9% of all applicants on the housing register which totals 8,352. To help facilitate moves for those tenants/households affected by the bedroom tax, the Council set-up a 'Trading Places' team in February 2014, comprised of a Project Officer & 4 x Support Officers. Since the project's creation, 63 tenants have been assisted to move by the Team. The properties released have then been used for households in PSL properties affected by the benefit cap and these PSL properties have, in turn, then been freed up for households moving out of B&B accommodation. At present a further 123 tenants are registered with Trading Places from a range of different landlords within the borough. Several initiatives have been demonstrated to try and facilitate moves and the Team is currently organising a series of mutual exchange / swap events for tenants registered both to the project and those overcrowded or under occupying.
- 8.1 Discretionary housing payments (DHP) were first introduced in 2001 and replaced the exceptional hardship and exceptional circumstances payments. DHP is not extra housing benefit or local housing allowance as such, but a separate payment made at the Council's discretion in cases where an individual or household needs extra help to meet their housing costs. Awards are generally made to help persons get over short term difficulties. The funding for DHP is provided by central government and is strictly limited. Each application is considered on merit and must demonstrate good reasons for requesting additional financial support. Applicants must be in receipt of housing benefit or local housing allowance to qualify for DHP.
- 8.2 Following the introduction of the benefit cap, the government has provided additional funding towards DHPs. This is specifically intended to support those persons affected by the benefit cap who may, as a result of a number of complex challenges, be unable to immediately move into work or more affordable accommodation.

### Impact update in Lewisham

- 8.3 DHP funding for Lewisham for 2014/15 is £1.6m of which, to date, £508k has been spent (including commitments to the end of this financial year) on assisting a total of 376 households in the borough.
- 8.4 The number of residents in Lewisham in receipt of either housing benefit or local housing allowance from April to September 2014 has only fluctuated minimally and is

as follows:

<b>Month</b>	<b>Total</b>
April	38,583
May	38,369
June	38,346
July	39,494
August	38,302
September	38,447

## **9 Council tax reduction scheme**

- 9.1 In April 2013, the government replaced council tax benefit (CTB) for those on low incomes with a localised council tax reduction scheme (CTRS). Eligible pensioners are not affected by the change and receive the same amount of help with their council tax as they did previously with CTB.
- 9.2 The funding for CTRS is 10% less than was previously awarded to Lewisham to cover the cost of CTB, equating to a reduction of £3.28 million in 2013/14. Because of this, the Council had to find ways of passing on this cut, whilst still providing help to residents in need through CTRS. Residents were consulted from August to October 2012 to find out how best to provide assistance to those who need it to pay their council tax. The consultation showed that the majority of residents thought that everyone should have to pay some council tax but that we should protect the most vulnerable in Lewisham by increasing council tax for second homes and some empty homes.

## **Impact update in Lewisham**

- 9.3 Since April 2013, 24,648 working age households in Lewisham have been affected by the introduction of CTRS meaning that either new or revised council tax bills were issued to them. The maximum award for working age households is limited to 85.16% of their council tax liability meaning all are required to pay at least 14.84%. The average impact per household is £3.50 per week.
- 9.4 The Council has agreed to set up a £100k hardship scheme to provide some short-term financial assistance for families affected by this change who meet certain criteria. It is expected that this funding will help between 600 and 1000 families. The financial assistance offered will be short term to cover 50% of their liability for the remainder of the financial year.

## **10 Registered provider update**

- 10.1 In March 2012, Lewisham Affordable Housing Group (LewAHG) which consists of representatives from the council and all housing and registered providers in the borough, established a welfare reform sub group which has been meeting every 6-8 weeks ever since. The purpose of the group is to share information and good practice regarding ongoing welfare reform. The group is also attended by officers from housing strategy, housing benefit, Job Centre Plus and the South East London Housing Partnership.

- 10.2 The overall objectives of the group are to understand the potential and actual impact of welfare reform on our residents and where possible, to produce a consistent and co-ordinated approach.
- 10.3 The main focus of the group is currently on:
- Bedroom tax
  - Discretionary housing payments
  - Single Room Rate
  - Universal credit introduction
  - Digital inclusion
  - Financial inclusion (e.g. establishing bank accounts for tenants who do not have)
  - Pre-payment cards
  - Segmentation (i.e. profiling about who is going to need support)
  - Changes to housing management systems in preparation for universal credit.
- 10.4 The group is also considering holding a pan organisational mutual exchange event, specifically for residents who are underoccupying and impacted by the bedroom tax, as well as trying to up skill tenants into work place training.
- 10.5 A number of registered providers have employed new benefit support officers or welfare advice officers to assist tenants with making full use of available services. At the same time, many registered providers are building reserves in anticipation of bad debt.

## **11 Financial implications**

- 11.1 There are no direct financial implications arising from this report at this time.

## **12 Legal implications**

- 12.1 There are no direct legal implications arising from this report at this time; however, within the context of the practical implications for the Local Authority as to the delivery of relevant services, (as a direct consequence of the Welfare Reform Act 2012,) the Equality Act 2010 obligations need to be considered.
- 12.2 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 12.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

- 12.4 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 12.5 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 12.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
  2. Meeting the equality duty in policy and decision-making
  3. Engagement and the equality duty
  4. Equality objectives and the equality duty
  5. Equality information and the equality duty
- 12.7 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

### **13 Crime and disorder implications**

- 13.1 There are no direct crime and disorder implications arising from this report.

### **14 Equalities implications**

- 14.1 There are no direct equalities implications arising from the contents of this report, however any new policies arising from it will require an EAA or equivalent to be undertaken.

### **15 Environmental implications**

There are no direct environmental implications arising from this report.

# Agenda Item 6

HOUSING SELECT COMMITTEE		
Title	Draft Housing Strategy 2015-2020	
Key Decision	Yes	Item No. 6
Ward	All Wards	
Contributors	Executive Director of Customer Services	
Class	Part 1	Date: 1 <sup>st</sup> October 2014

## 1. Summary

- 1.1. This report sets out for Committee the main points contained in the first draft version of the Council's Housing Strategy for 2015 to 2020, for the Committee's consideration and comments.
- 1.2. Committee's comments will be used to update this draft version ahead of consultation with residents and partners which will take place during the autumn. A final version of the strategy, incorporating the feedback from this process will be considered by Committee in the new year ahead of final ratification by Mayor and Cabinet and Council.

## 2. Purpose

- 2.1. To provide the Housing Select Committee (HSC) with the opportunity to consider the key themes of the draft Housing Strategy, the main priorities for action and the strategic objectives before wider consultation begins.

## 3. Recommendations

- 3.1. The Committee is recommended to:
  - Review and comment on the key themes, main priorities for action and strategic objectives as set out in this first draft of the Housing Strategy for 2015-2020
  - Note the proposed process and timetable for consultation on this draft strategy
  - Note a more detailed action plan will be developed for the final strategy against which progress will be monitored against the specific issues and reported to Housing Select Committee on a regular basis

## 4. Policy context

- 4.1 The contents of this report are consistent with the Council's policy framework. It supports the achievement of the Core Strategy strategic objectives which are identified under the themes of:
  - Regeneration and growth areas
  - Providing new homes
  - Growing the local economy
  - Environmental management
  - Building a sustainable community

4.2 The Housing Strategy supports the achievement of the Sustainable Community Strategy policy objectives:

- Safer – where people feel safe and live free from crime
- Empowered and responsible – where people are actively involved in their local area and contribute to supportive communities
- Clean, green and liveable – where people live in high quality housing and can care for and enjoy their environment
- Healthy, active and enjoyable – where people can actively participate in maintaining and improving their health and well-being
- Dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond

## 5. Background

5.1. The current Housing Strategy was agreed in 2010 and expires at the end of this year. It is clear that the Council and its partners have achieved a number of successes in meeting the objectives and targets that were set when that Strategy was launched five years ago. In particular these include:

- Investing in our residents homes through stock transfer, enabling 100% of housing stock transferred to meet the Decent Homes standard
- Commencing development of new Council housing, starting on site at Mercator Road
- Securing estate regeneration and new build schemes, looking for development opportunities across the borough; 52 new housing schemes are currently on site and underway
- Securing funding to develop new extra-care housing for older people and improving partnerships between Housing, Health and Social Care
- Investing £1.4m in hostel accommodation for homeless families, reducing dependence on nightly paid accommodation
- Bringing 1,000 empty homes back into use, and upgrading 3,000 existing properties
- Successfully securing £155k funding for the Rogue Landlords programme, to target criminal landlords and improve quality in the private rental sector
- Improving the Housing Options Centre and establishing the Single Homelessness Intervention and Prevention Service

5.2. There has been significant change since the publication of Lewisham's last Housing Strategy, Homes for the Future, in 2009 that make this document particularly timely. The 2012 reform of the Housing Revenue Account (HRA) reshaped the housing landscape, allowing local authorities to keep income generated through rent payments and take a more long-term approach to housing management. HRA reforms have unlocked many of the previous barriers to building new homes.

5.3. Fundamental legislative reforms and turbulent economic conditions have had profound effects upon the context in which housing services are delivered and the issues to which they need to respond. Our work as a local authority has been redefined by the changing legislative context and the consequences of welfare reform. We have strengthened partnerships between housing, health, education and employment to better support our residents and prevent homelessness and to help those who find themselves in crisis.



- 5.4. The draft strategy considers all of the challenges and opportunities that the current and expected future economic and legislative conditions create, and responds to those by proposing four organising principles, or priorities, to guide the work of the Council, and its work in support of its partners, over the coming four years.

## **6. The 2015-2020 Housing Strategy**

- 6.1. The document summarises new legislation and policy, stating the ways in which they impact on provision and strategy. It acknowledges the centrality of working in partnership to address many of the key challenges the borough and its residents face.
- 6.2. The draft strategy proposes four objectives to guide the work of the Council and its partners and within each objective it proposes a further set of priorities. These objectives, and the priorities related to each are as follows:

### **Key Objective 1: Helping residents at times of housing need**

#### Priorities

- To continue to integrate services and partnerships to prevent homelessness.
- To reduce the number of households in nightly paid accommodation
- To invest in new models of temporary accommodation in order to provide a better quality temporary home for residents whilst awaiting permanent housing
- To make best use of existing stock and work closely with all partners to address under-occupation and overcrowding
- To ensure that all households who need help with their housing are able to access excellent information and advice and a full range of housing options to resolve their housing needs To offer a range of supported housing provision and housing support services for those that need them most and which is easy and straightforward to access.
- To provide access to suitable provision in the private rented sector to support those who are homeless or at risk of homelessness
- To provide a range of sustainable housing options
- To end rough sleeping in the borough

### **Key Objective 2: Building the homes our residents need**

#### Priorities

- To increase the supply of housing across all tenures and in particular to deliver at least 2,000 new affordable homes in Lewisham over the next four years, of which 500 will be new Council homes
- To work with partners to support the provision of well-designed, sustainable and energy-efficient housing of all tenures to support the housing needs of local people
- To work with the construction sector to introduce innovative new approaches that support the delivery of new affordable housing, more quickly and more cheaply without compromising our high quality standards
- To provide new homes and environments that set high standards for the quality, accessibility and sustainability of developments across Lewisham
- To work alongside residents to develop new approaches to supporting individuals and groups of residents to commission and/or build their own homes
- To play a leading role in shaping the future of the borough through housing-led regeneration

### **Key Objective 3: Greater security and quality for private renters**

#### Priorities

- To use advice, incentives and enforcement to provide greater stability and security for private sector tenants
- To promote transparency about letting agencies and the fees they charge enabling new tenants to avoid unreasonable fees and additional costs
- To use accreditation and incentives to develop partnerships with the best landlords in order to promote and highlight good practice
- To gather and use evidence to inform and shape options for licensing private landlords
- To encourage the development of new models of PRS accommodation in Lewisham, where these are backed by professional landlords who offer better security, affordability and service standards for tenants

### **Key Objective 4: Improving our residents' homes**

#### Priorities

- To continue to work closely with Lewisham Homes and bring all affordable homes in the borough up to the Decent Homes Standard, and maintain that standard
- To extend the ALMO management agreement with Lewisham Homes and expand their roles and responsibilities
- To increase resident satisfaction with their homes as a place to live, and with their local environment
- To provide a programme of energy efficiency improvements to enable warm, healthy homes and address fuel poverty issues across all tenures of housing
- Ensure arrangements are in place to enable prompt and cost effective installation of adaptations that maintain independence and reduce risks of falls and accidents
- To ensure a sustainable and long term future for our housing provider partners

## **7. Further drafting**

- 7.1. Committee is asked to consider these proposed objectives and priorities, as well as the broader content of the first draft of the strategy which is included here as Appendix One.
- 7.2. This draft will subsequently be updated and then made available for resident and partner consultation during the autumn, as set out below.

## **8. Consultation**

- 8.1. It is proposed that a range of methods be employed to engage with the public and with partners during a six week period before the end of 2014. The precise dates for this have yet to be set, and will depend in part on the views of Committee on the proposed process, and on the available dates for local assemblies, as appropriate. The consultation will also be planned so as not to conflict with the on-going Budget Consultation that is currently being undertaken.
- 8.2. The proposed range of methods to be employed to consult on the draft strategy include:

- An online resident consultation to test residents views on housing generally, and also on the proposed objectives and priorities specifically
- Potentially, a short series of follow-on sessions with residents who have responded to the survey, and indicated a willingness to explore their views in more detail.
- The promotion of the on-going consultation through a range of mechanisms to include tenants and residents associations, local fora and online networks
- Attendance at a limited number of local assemblies to set out the vision for the housing strategy, the key themes and priorities, and to undertake group work sessions on the draft.
- Inviting written feedback from the Council's main housing delivery partners, and the wider range of organisations who contribute to the delivery of, or are affected by, the direction of the Council's housing policy

8.3. It is currently anticipated that the consultation period will run from late October, following the end of the Budget Consultation, until mid December. A final version of the strategy will be drafted to reflect, where relevant, the views expressed during this process ahead of final ratification by Housing Select Committee, Mayor & Cabinet and Full Council in early 2015.

## **9. Financial implications**

9.1 The purpose of this report is to provide members with the opportunity to consider the key themes of the draft Housing Strategy, the main priorities for action and the strategic objectives before wider consultation begins. As such there are no financial implications arising from this report.

9.2 As the Housing Strategy develops, the financial implications of proposed actions will need to be considered as part of the Council's overall Budget Strategy.

9.3 Officers will also be exploring external funding and partnership opportunities to take the strategy forward.

## **10. Legal implications**

10.1. Pursuant to section 87 of the Local Government Act 2003, there is a duty to comply with the directions of the Secretary of State to produce a local housing strategy. The London Housing Strategy was published in 2010 and was subsequently updated in 2011. In December 2013 the Mayor of London published a draft new version of the London Housing Strategy and initiated a period of consultation which closed on 17th February 2014.

10.2. The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 5 April 2011.

10.3. The duty consists of the 'general equality duty' which is the overarching requirement or substance of the duty, and the 'specific duties' which are intended to help performance of the general equality duty.

10.4. The duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 10.5. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.

These are often referred to as the three aims of the general equality duty.

10.6. As was the case for the original separate duties, the new duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

10.7. The Equality and Human Rights Commission (EHRC) have issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty
2. Equality objectives and the equality duty
3. Equality information and the equality duty
4. Meeting the equality duty in policy and decision-making
5. Engagement and the equality duty

All the guides have now been revised and are up to date. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

10.8. The EHRC guidance does not have legal standing. Unlike the statutory Code of Practice on the public sector equality duty which was due to be produced by the EHRC under the Act. However, the Government has now stated that no further statutory codes under the Act will be approved. The EHRC has indicated that it will issue the draft code on the PSED as a non statutory code following further review and consultation but, like the guidance, the non statutory code will not have legal standing

## **11. Crime and disorder implications**

11.1. The Strategy is fully aligned to the authority’s crime agenda and the wider initiatives of the LSP

## **12. Equalities implications**

12.1. The new strategy will be subject to a full EIA before publication

### **13. Environmental implications**

13.1. Sustainability is a main theme of the strategy and a commitment to supporting sustainable development runs throughout the strategic priorities.

### **14. Conclusion**

14.1. This draft strategy identifies four priorities:

1. Building the homes our residents need
2. Improving our residents' homes
3. Helping residents at times of housing need
4. Greater security and quality for private renters

14.2. It sets out a range of aims and actions to address housing need and secure the provision of quality, sustainable housing, increase housing availability across all tenures and link housing with opportunities for employment and better health and educational outcomes.

14.3. Prior to the final draft, the strategy will be amended based on the views expressed by Committee and to reflect the results of consultation with both the general public and our housing partners.

14.4. When consultation is completed an annual implementation plan will be produced with detailed action points.

14.5. It is anticipated that the Housing Strategy will be complete by the end of January 2015 for publication in March 2015.

### **15. Background documents and originator**

Jeff Endean  
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# **Appendix I**

## **Lewisham Housing Strategy 2015-2020**

*1<sup>st</sup> draft for consultation with  
Housing Select Committee*

1 October 2014

## **Contents**

1. Introduction
  - Context
  - The Housing Challenge
2. Helping residents at times of housing need
3. Building the homes our residents need
4. Improving our residents homes
5. Security and quality for private renters



## Introduction

### Context: The Housing Strategy

Fundamental legislative reforms and turbulent economic conditions since 2009 have had a profound effect on the delivery of housing services. A period of **economic recession** unprecedented in recent history has had severe implications for the delivery of new housing, housing demand and supply. Since the publication of Lewisham's previous strategy in 2009, the housing context has changed dramatically, with severe consequences for the affordability of housing, and for housing need.

Lewisham is an inner-London borough, and the features of the housing economy in the borough directly relate to its position within London and the **uniqueness** of the capital within the national housing context.

The average house in London now costs more than half a million pounds, and twice as much as the average across the rest of the country.<sup>1</sup>

As **affordability** declines, access to home ownership is squeezed, and as a result more than one in four London households now rents privately.<sup>2</sup> As a result perceptions of the private rented sector are starting to change, and a new model of private renting – backed by institutional landlords offering greater long term security for tenants – is starting to emerge. This is creating a new lifestyle choice for young people who previously would have chosen home ownership, and over the next decade it is quite possible that this will lead to a fundamental shift in tenure patterns across the capital.

However, rising prices also have a great impact across the capital on those least able

to access the housing market. Of all of the households in the country who are homeless and in **temporary accommodation**, three quarters live in London. Addressing the challenge caused by this hugely unsatisfactory situation is one of the greatest of all problems for London local authorities today.

Our work as a local authority has been redefined by the changing legislative context and the consequences of **welfare reform**.

We have strengthened **partnerships** between housing, health, education and employment to better support our residents and prevent homelessness, supporting those who find themselves in crisis.

This new *Housing Strategy* for Lewisham is therefore very timely. Its challenge is to identify the right way forward for the Council and its partners in addressing the challenges and opportunities that flow from the uniqueness of London and its housing and property economy.

Of course housing cannot be considered in isolation. The Lewisham *Housing Strategy* sets out how, in delivering better housing for its residents, the Council and its partners are supporting the broader vision set out in Lewisham's **Sustainable Communities Strategy**. The *Housing Strategy* recognises the importance of housing in tackling disadvantage and social exclusion, protecting the environment and regenerating our localities to support our residents to take advantage of opportunities for economic development.

As part of enabling the development of sustainable communities, the strategy

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<sup>1</sup> Office for National Statistics, September 2014

<sup>2</sup> Census 2011

recognises the role of housing in **reducing inequality**. It can do this by ensuring that our homes are well-maintained, energy efficient and of a high build quality; reducing housing costs and supporting access to an affordable housing market.

Supporting our residents to access good quality, secure and sustainable housing will help us to improve opportunities for **employment, educational attainment and health and wellbeing**.

By working together with our partners we are better placed to support residents to have appropriate access to and choice of high quality local services.

Housing has a key role to play in **place-shaping** and the *Housing Strategy* sets out our aspirations for housing development. It supports the implementation of the following documents:

- Local Development Framework
- Core Strategy
- Regeneration Strategy

It is also important to recognise the opportunities that exist today to improve housing delivery that did not exist when the previous strategy was agreed. For instance, national reform of the housing finance regime, and the ability that this has given to Councils to set long term financial plans, does enable the Council to be more ambitious today than it could be four years ago.

As a result the Council is now developing council homes for the first time in a generation. It is taking a pro-active stance against rogue landlords. It is using the investment capacity available to it to purchase properties to provide a better standard of accommodation for those in temporary accommodation. It is working closely with

partners to identify opportunities to invest in residents homes, or, where appropriate, to investing in new homes and new places to improve residents' lives and their life chances.

This strategy sets out how the Council and its partners can build on the achievements of the past four years, to meet the London housing challenge over the coming five years.

### **Our Key Objectives:**

1. **Helping residents at times of housing need:** Supporting our most vulnerable residents at times of need and working to prevent homelessness
2. **Building the homes our residents need:** Delivering sustainable new homes and developing plans for area-wide renewal, investment and regeneration
3. **Greater security and quality for private renters:** Enabling the development of a high quality private rented sector that is fit to meet local needs and demand
4. **Improving our residents' homes:** Ensuring a high standard of quality and sustainability for housing across all tenures

## The housing challenge

1. The **population** of Lewisham is increasing and is projected to continue to increase. Some 286,000 people live in Lewisham (an increase of 10,000 since the 2011 census) and over the next two decades Lewisham is forecast to see the second fastest rate of population growth in Inner London and the eighth fastest in London.

This is fuelled by both 'natural' growth (more births than deaths) and by net immigration (more people moving into the borough than out of it). The growth in population is unprecedented since the Second World War.

The profile of our population is also due to change. The number of people **aged over 65** decreased between 2001 and 2011 but now comprises around 10 per cent of the population and is projected to rise to nearly 30,000 people by 2020. The population of people aged over 85 is also projected to rise significantly.

The average **size of households** in Lewisham, in common with the rest of London, decreased steadily throughout the twentieth century but is now slowly increasing.

The **tenure** of Lewisham's population has also changed markedly. Approximately 55 per cent of Lewisham's population now rent, either in the private or social sector. There has been a slight decrease in social renting and in the number of homes that are owned outright, but the **private rented sector** has increased significantly, doubling in size over the last ten years to 25 per cent. This rise is partly linked to the increase in house prices, and has mainly been the result of a decline in owner occupation.

2. **House prices and rents** in Lewisham, like the rest of London have increased steadily

over recent years. The average house price in Lewisham increased from just under £230,000 in 2009 to approximately £410,000 in 2014; an increase of 79 per cent. Median rents for a 2 bed property in the borough had reached £1,250 by 2013.<sup>3</sup>

The **housing market** in Lewisham is far from uniform and house prices and rents generally decrease from north to south. For example average prices represent less than £3,000 per square metre in Catford South, Whitefoot and Downham but more than £4,000 per square metre in Blackheath, Ladywell, Evelyn and Brockley wards.<sup>4</sup>

Concerns about the **affordability** of housing particularly focus on the ability of households, often newly formed households, to access the market. For this reason the relative affordability of the cheapest housing in the borough is key. Lower quartile prices and house prices offer a basis for this; so does looking at the range in the affordability of housing costs across the borough.

SE6 is currently the cheapest part of the borough for households looking to rent a property. Lower quartile rents for 2 bedroom properties in SE6 are £1,000 per month. A household spending 33 per cent of its gross income on housing costs would need an income of £36,000 i.e. roughly the average borough household income to afford this without being at risk of rent poverty.

The average lower quartile house price in Bellingham is £165,000 (source SE London Housing Market Bulletin April 2014). Based on a 10 per cent deposit and a mortgage based on 3.5 times household income this would be

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<sup>3</sup> South East London SHMA

<sup>4</sup> South East London Housing Market Bulletin April 2014

affordable to a household with an annual income of £42,400. On the same basis the average one bedroom property in Downham (£141,000) would be affordable to a household with an annual income of £36,250.

From this data, we can see that a household with the Lewisham median household income (£36,145) could only afford to buy an average priced one bedroom property where they are cheapest, in Downham. However, even at the lowest end of the property market, home ownership remains unaffordable to two thirds of Lewisham households.<sup>5</sup>

3. **Homelessness**, and **rough sleeping** in particular, is the most obvious expression of housing need. In Lewisham, homelessness has increased in recent years, but remains in line with averages across London as a whole.

The **SE London Strategic Housing Market Assessment** (SHMA) calculates a need for 1,600 new homes per annum across all tenures based on looking at backlog need, and at how much of newly arising need could be met through the market or through existing supply. Of these, the SHMA estimates that 1,144 will need to be 'affordable'.

**Overcrowding** is more prevalent in the social sector than the owner occupied and private rented sectors. The owner occupied sector in particular is characterised by a significant level of 'under-occupation'. However, under-occupation in the social sector still exceeds overcrowding, with 11,000 households classified as 'under-occupied' compared to 6,000 'overcrowded'.<sup>6</sup>

A **shortage of all forms of housing** puts pressure on affordable housing and contributes to increasing prices to beyond the

level at which households on average incomes can afford them.

The **provision of new housing** is subject to an assessment of capacity and targets by the GLA. Currently **capacity** in Lewisham is considered to be 1,385 homes per annum.<sup>7</sup>

However, the annual need as assessed through the SE London SHMA is greater than this. This – the need for new housing outstripping the capacity for it – represents a critical challenge; not only within in Lewisham but for London as a whole.

4. Various aspects of **welfare reform** have started to have an impact on housing need and how it can be met.

The introduction of an overall weekly **benefit cap** of £500 per week in 2013 has resulted in a shortfall of Housing Benefit for larger households especially in the private rented sector. 475 Lewisham households were affected in January 2014 according to figures from DWP.<sup>8</sup>

The size criteria for Housing Benefit for social housing tenants were amended in 2013. This is referred to by many commentators as the '**bedroom tax**' and by government as removing 'the spare room subsidy'. As of March 2014, 2,572 Lewisham households were found to be affected by the 'bedroom tax'.

Housing Benefit is no longer payable on 13 per cent of the rent of a home under occupied by one bedroom and by 25 per cent of the rent payable on two bedrooms.

Proposals for introducing direct Housing Benefit payments to residents as part of **Universal Credit** is of particular concern for

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<sup>5</sup> SE London SHMA

<sup>6</sup> Nomis, September 2014

<sup>7</sup> Further Amendments to the London Plan, 2014

<sup>8</sup> Benefit Cap – households capped and off flows, data to January 2014

tenants in the private sector. Lewisham was chosen as a pilot local authority for the introduction of Universal Credit, and found that 80 per cent of residents included in the pilot raised concerns about receiving Housing Benefit through direct payments, highlighting the support that some residents will need to manage finances and avoid eviction.

## Key Objective 1: Helping residents at times of housing need

Local authorities have a **duty to assist households** in priority need who are not intentionally homeless.

A lack of new housing supply and the reduction of properties readily available for letting in the existing housing stock has increased the challenge of meeting housing demand. Since 2010, the number of lets available to the Council has decreased by 44 per cent. Over the same period, the Council has seen a 55 per cent increase in residents accepted as homeless and placed in **temporary accommodation**. There are currently more than 5,000 Lewisham households living in temporary accommodation.

In common with most London boroughs, Lewisham's difficulty in providing suitable and affordable temporary accommodation has a major impact on the Council's finances. Lack of sufficient temporary accommodation is resulting in increasing use of expensive and often unsuitable nightly paid ('Bed and Breakfast') accommodation.

Responding to homelessness involves particular focus on:

- Preventing homelessness
- Providing suitable temporary accommodation
- Providing suitable permanent or 'settled' accommodation

Prevention of evictions from the private rented sector and **use of the private rented sector** to provide temporary or 'settled' accommodation are key elements and are addressed separately in Key Objective 3.

**Rough sleeping** has also increased and the council is working effectively in partnership with a range of voluntary agencies to develop a strategic approach to prevention.

For many homeless households, including rough sleepers, it is important to avoid a 'revolving door'. We are able to provide this though ensuring that adequate support is given at the beginning of tenancies and possibly beyond to ensure that tenancies can be sustained. Lewisham have developed preventative support services through the **Single Homeless Intervention and Prevention Service (SHIP)**.

SHIP was established following the 2009 Housing Strategy and supports the Housing Options Centre (HOC) to provide specialist advice for **single households** in housing need. Both HOC and SHIP are working to support the development of a 'single pathway' for residents in housing need, simplifying the process of applying for housing and providing a range of housing options to help ensure that housing maintaining housing becomes sustainable.

**Overcrowding** affects 12 per cent of Lewisham households and is particularly a problem in the social sector.<sup>9</sup> Much of the need for larger accommodation for overcrowded households could be met by providing sufficiently attractive opportunities for other tenants to 'downsize'.

Opportunities for **downsizing** can also benefit social tenants affected by changes in the bedroom criteria for Housing Benefit (the 'bedroom tax') and older residents whose homes may no longer be suitable to their

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<sup>9</sup> Nomis

needs. 'Trading Places' is one example of a scheme that has been set up by the Council to support opportunities to downsize.

**Households with disabilities and mobility difficulties** may find their current homes unsuitable, in which case the Council will need to ensure that adaptations are completed as quickly and as effectively as possible – or ensure that households are able to exercise the option of moving to more suitable, usually wheelchair accessible, accommodation.

Provision of **advice** by the Council or by partner agencies, including agencies such as Jobcentre Plus, helps 'non priority' households (for example young single people) avoid homelessness and access the housing market, including the private rented sector, for the first time. For some working households this may include access to **shared ownership**. It is important that provision is relevant (affordable) to local households excluded from the housing market and explains the various intermediate housing options, such as shared ownership.

For many households, the prospects of being able to access housing are enhanced by the provision of **specialist advice** – for example advice about managing debt and support in **seeking and sustaining employment**. Such services have been developed to help support the prevention of homelessness.

#### **Case Study: Trading Places Scheme**

The Trading Places scheme was set up to assist those living in social rent properties affected by the bedroom tax. The scheme aims to help those under-occupying their properties move into more suitable accommodation for their needs, whilst at the same time freeing up much needed larger

properties for homeless households in temporary accommodation.

A dedicated team has been set up to facilitate such moves, bringing together officers with expert knowledge on re-housing. The Trading Places officers carry out home visits to affected residents to help them examine their housing options and identify a solution to their problem.

Monica, 53, a social housing tenant from Forest Hill received support from Trading Places after being affected by changes to the bedroom criteria for Housing Benefit (the 'bedroom tax'). The Trading Places scheme aims to help those under-occupying their properties move into more suitable smaller accommodation, whilst freeing up much needed larger properties for other residents.

Monica needed assistance downsizing from her two-bed flat. Suffering from poor health and back problems, she was also finding it increasingly difficult to remain mobile in her current home. With help from the Trading Places team, Monica was found a new build one bedroom ground floor flat in Sydenham.

"A lady came round to see me and really understood what I needed. She listened to me, found out what I wanted and within a couple of days a ground floor flat became available for me. I couldn't believe my luck, my new flat is absolutely gorgeous and as I'm no longer under-occupying by one bedroom, I'll be saving £13.73 a week which works out to be £713.96 a year!"

The Trading Places Scheme is also placing emphasis on mutual exchange and facilitating several events throughout Lewisham to encourage those overcrowded and under-occupying to swap.

**Our priorities:**

*DRAFT FOR CONSULTATION WITH HOUSING SELECT COMMITTEE*

1. To continue to integrate services and partnerships to prevent homelessness
2. To reduce the number of households in nightly paid accommodation
3. To invest in new models of temporary accommodation in order to provide a better quality temporary home for residents whilst awaiting permanent housing
4. To make the best use of existing stock and work closely with all partners to address under-occupation and overcrowding
5. To ensure that all households who need help with their housing are able to access excellent information and advice and a full range of housing options to resolve their housing needs
6. To offer a range of supported housing provision and housing support services for those that need them most and which is easy and straightforward to access
7. To provide access to suitable provision in the private rented sector to support those who are homeless or at risk of homelessness
8. To provide a range of sustainable housing options
9. To end rough sleeping in the borough



## Key Objective 2: Building the homes our residents need

Ensuring that there is sufficient supply of new homes is one of the major challenges facing every Local Authority in London. In Lewisham, the Council and its partners have a strong record of delivery in this regard. Overall the Council has exceeded its targets for house building every year for the past four years. During this time our partners have delivered the third highest number of new affordable homes in the country in 2011/12 and the highest number in London in 2012/13.

Despite this track record, it is estimated that there is now a net annual requirement for the construction of 1,600 new homes in Lewisham each year, in order to meet both the backlog of existing need and newly arising need. New demand in particular stems from the projected increase in population.<sup>10</sup>

As well as supporting the delivery of new homes, Lewisham has a key role to play in ensuring that the borough's **supply of new housing is affordable, suitable and sustainable** for local residents over time.

For new housing to meet the needs of tenants, it needs to be appropriately designed and subject to rents that tenants would consider to be affordable.

By doing so, we can support the development of new homes that are of a high quality. These homes will adapt to our residents needs over time, recognise the future implications of changes to the climate (for instance, by mitigating flood risk) and have low running costs.

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<sup>10</sup> South East London SHMA, Lewisham borough appendix

To support this ambition, we are exploring options to utilise new construction methods and techniques to meet future need.

**Community self-build** projects and housing co-operatives also support the delivery of new affordable housing to meet housing need. Lewisham Council pioneered self-build in the 1980s, and are now looking at new opportunities for community-led development.

The needs of an **aging population** emphasise the link between health and housing, and the role of housing in supporting residents throughout the different stages of their lives.

By developing new **housing schemes for older residents**, the Council and its partners are able to provide suitable housing support for older people, through new build extra care developments at Conrad Court and planned developments at Hazelhurst Court and Campshill Road. Building to the **Lifetime Homes standard** and **SELHP wheelchair guidelines** helps to ensure new housing will continue to be fully accessible.

'Headroom' within the Housing Revenue Account and the ability, though restricted, to recycle Right to Buy receipts has given the Council the opportunity to build new council housing as a direct response to housing need for the first time in 30 years. Utilising these new opportunities, the Council plans to build 500 new council homes over the next five years.

**Cross-subsidy** will inevitably be needed for any new council homes. One way of providing funding for council housing and supporting

the delivery of general needs homes may be to generate the necessary income from building for private rent or sale.

Building homes for private rent or sale also gives the Council the opportunity to create a more integrated development to its own design standards and improve the quality of new build housing within the private sector.

Delivering new council housing also enables the Council to play a greater role in ensuring that housing is affordable for our residents. **Affordability** is a key challenge, and crucial for ensuring the **sustainability** of housing supply.

To support the sustainability and affordability of new developments, the Council has played an active role in developing opportunities for housing-led regeneration, as demonstrated by the schemes at Heathside and Lethbridge and Excalibur estates.

#### **What do we mean by 'affordable'?**

An understanding of what makes our housing affordable, and who we are designing our housing for, is essential in the development of a coherent range of housing options that are flexible enough to provide housing suitable for all people, at all stages of their lives.

As well as comparing the cost 'affordable' housing to 'market' options, the Council recognises that affordability is relative to net income and other housing costs, such as the cost of energy. As a rough indicator, is viewed that payments on housing costs should not exceed 40% of net income for most households in order to avoid 'rent poverty'.

In order to extend the housing choices available to residents, we are continually looking at new policy developments and opportunities to improve the housing offer. We understand that different tenures do not

operate in isolation, but overlap and impact in complex ways.

Our commitment to building sustainable communities requires that we look strategically across all tenures to develop an understanding of the way in which they interplay at the very local level.<sup>11</sup>

#### **Case study – New Homes Better Places**

New Homes Better Places is a joint initiative between Lewisham Council and Lewisham Homes, aiming to build 500 new properties for social rent over the next four years. Working together, we have identified over 50 sites suitable for small-scale, infill, development allowing us to make the best use of our brown field land for the delivery of new homes.

To identify sites for development, we have worked with our residents and communities, most notably through the Housing Matters consultation in 2013.

Once sites are identified, detailed consultation is carried out with residents in the surrounding area by the Council and Lewisham Homes, allowing residents to input into the designs of the new homes and proposed plans.

Lewisham Homes will be acting as the Council's delivery and development agent throughout the programme.

Phase One of New Homes Better Places began on site in February 2014, starting with the construction of six family homes on the Mercator Estate. These are being built on the site of disused and derelict garages which had been left empty for some time, causing problems with fly-tipping and vandalism. The

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<sup>11</sup> Our policy on the proportion of affordable housing in new developments is outlined in greater detail in Lewisham's Core Strategy.

new homes will be let at social rent levels and are the first council homes to be built in Lewisham in over 30 years. They are expected to be completed in 2015.

Phase Two of the programme is expected to deliver 77 new homes on sites across the borough and is due to complete in late 2016. These developments will provide homes for social rent as well as 13 properties that are being developed for market sale. Developing homes for market sale enables us to make sure that we are able to maximise the finance available to fund new social housing developments and keep rents affordable for our tenants.

A further phase of the programme is expected to deliver 34 new homes, bringing the total number of homes built to around 105. Capacity studies are currently underway on a further 20 sites, supporting us to identify areas for potential development and make best use of housing land.

As well as providing Lewisham with much needed high quality affordable housing, the programme will also support investment in the wider estate, providing new play areas, parking facilities, greater security and improved communal areas for all residents.

**Our priorities:**

1. To increase the supply of housing across all tenures and in particular to deliver at least 2,000 new affordable homes in Lewisham over the next four years, of which 500 will be new Council homes
2. To work with partners to support the provision of well-designed, sustainable and energy-efficient housing of all tenures to support the housing needs of local people
3. To work with the construction sector to introduce innovative new approaches that support the delivery of new affordable housing, more quickly and more cheaply without compromising our high quality standards
4. To provide new homes and environments that set high standards for the quality, accessibility and sustainability of developments across Lewisham
5. To work alongside residents to develop new approaches to supporting individuals and groups of residents to commission and/or build their own homes
6. To play a leading role in shaping the future of the borough through housing-led regeneration

### Key Objective 3: Security and quality for private renters

A characteristic of the housing market in Lewisham is the rapid and continuing growth of the private rental sector (PRS).

It is important to note that the PRS plays a number of roles in the housing economy, that there are a number of sub-markets within the PRS, and that as such there needs to be a range of policy interventions in order to work with and improve the sector.

The **Private Sector Housing Agency (PSHA)** was set up in September 2013 to progress the Councils work to tackle poor standards in the private market, bringing together key services to support a more joined up approach and to encourage best practice amongst landlords.

As set out previously in this paper, nearly two decades of rising house prices mean that the PRS now has a different role in meeting housing need. For an increasing number of London residents the PRS has become the tenure of necessity as the large deposits required to secure access to home ownership are unobtainable without some form of support.

More recently, however, new providers of PRS housing are showing that, for some residents, the PRS can be a tenure of choice. These models of provision more closely mimic the serviced apartment models of mainland Europe and particularly North America, with additional services provided alongside rented homes, each provided with longer tenancy lengths than is currently standard in the UK.

As such, it is important that this strategy recognises these demographic and attitudinal changes, and considers the way in which these new models might be made available for Lewisham residents.

Private renting also plays a key role in **meeting more acute housing need** as the number of available social housing lets has

declined. Part of the PRS in Lewisham caters for households in receipt of **Housing Benefit**. Although this part of the market is large at around 40 per cent of households, it has been slowly shrinking both in absolute terms and as a proportion of the PRS.

The shrinking of the part of the PRS catering for households in receipt of Housing Benefit reflects difficulties all London local authorities are experiencing in accessing sufficient and suitable accommodation for households in need. These difficulties are driven by both welfare reform, for example the reduction in the value of Local Housing Allowance which is the basis for Housing Benefit payment, and by the market as a result of high levels of rent increases.

For example landlords that have **leased properties** to local authorities and their partners are not renewing those leases since the rents that can be obtained on the open market are far in excess of what local authorities are able to offer for leasing.

Tenants in properties leased through the Council have generally experienced greater stability, with tenancies of up to three years. A reduction in the number of properties available to lease from the PRS therefore further undermines security and stability in the sector.

Use of the private rented sector to meet housing needs is only achievable if activity is co-ordinated and positive **partnerships with good landlords** are fostered. In doing so, the council has a clear interest in ensuring that renters enjoy greater security and suitable quality.

A conservative estimate identifies around 3,700 landlords operating in the borough with the majority being **small landlords with a handful of properties**. Many of these landlords do a good job for our citizens and

provide good quality accommodation that is well managed and maintained. In a recent South East London Housing Partnership PRS Study 94 per cent of respondent described the quality and condition of their accommodation as fair/good or very good.<sup>12</sup> However, in Lewisham, like other London Boroughs, there remains a small group of rogue or criminal landlords who exploit residents, many of whom are vulnerable.

As a greater proportion of households that include **children** rely on the PRS to meet their housing needs the need for greater security than that offered by six month Assured Short Hold Tenancies and for accommodation that is not subject to damp, mould or excess cold becomes more pressing.

Whilst there are many examples of excellent landlords in Lewisham and generally high levels of satisfaction among private tenants, some households find themselves vulnerable to high letting fees, deposit payments and annual rent increases that compromise the affordability and stability of the sector.<sup>13</sup> A minority of private sector tenants experience unacceptable conditions at the hands of “**rogue landlords**”.

#### **Case Study: Rogue Landlord Enforcement Team**

In 2013, Lewisham Council secured £155k funding from the Department of Communities and Local Government and Public Health to establish the Rogue Landlords Enforcement Team.

The team was set up to support the Council in taking effective enforcement action to directly tackle rogue landlords that operate in Lewisham.

Working with partners such as the Fire Brigade, utility companies and the Police, means information can be shared and

resources pooled in order to target known offenders.

The Rogue Landlord Enforcement Team has taken action against landlords who have unlicensed HMOs, allowed tenants to live in severely overcrowded conditions and been guilty of illegal evictions.

#### **Our priorities:**

1. To use advice, incentives and enforcement to provide greater stability and security for private sector tenants
2. To promote transparency about letting agencies and the fees they charge enabling new tenants to avoid unreasonable fees and additional costs
3. To use accreditation and incentives to develop partnerships with the best landlords in order to promote and highlight good practice
4. To gather and use evidence to inform and shape options for licensing private landlords
5. To encourage the development of new models of PRS accommodation in Lewisham, where these are backed by professional landlords who offer better security, affordability and service standards for tenants.

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<sup>12</sup> Cobweb Report on PRS, July 2014

<sup>13</sup> SE London PRS Research

## Key Objective 4: Improving our residents homes

Poor housing conditions such as **cold, damp and overcrowding** can have severe implications for **health and wellbeing**. Linked to respiratory and cardiovascular illness and excess winter deaths, poor quality housing can also impact on childhood development and mental health.

Approximately 8 per cent of Lewisham households live in **fuel poverty** and in 2012 the borough recorded 90 excess winter deaths, many of which were linked to cold housing.

The Council is currently working to exploit the link between **preventative excess winter deaths** and tackling fuel poverty, and how these objectives can be brought together through multi-agency initiatives such as Warm Homes Healthy People, the Lewisham Insulation Partnership and wider housing improvements funded through the Decent Homes Programme.

Improvements to our residents' homes can be supported by improving **housing management** and **partnerships** with local Housing Associations.

All properties stock-transferred from the Council to Housing Associations since 2009 now meet the **Decent Homes Standard**. More than half of properties managed by Lewisham Homes now meet the Standard, with over 4,000 properties improved so far and a total of £94.4m invested. Decent Homes works are currently scheduled to complete in 2017.

Lewisham's Core Strategy and Local Development Framework support the development of **high quality new homes** and works to ensure that home **adaptations, de-**

**conversions and extensions** are suitable for the needs of local residents.

It is imperative that we are able to ensure our housing is **well designed and sustainable**, able to adapt to changing circumstances and changes in the climate over time.

Enabling residents to stay in their own homes longer, the Lewisham handyman and home adaptation grants service supports residents to make the best use of their existing homes.

**Adaptations** to existing homes can meet some residents' housing needs and enable them to remain safely in their own homes. The prompt installation of a grab rail for example may represent an extremely cost effective way of preventing a fall. Routine implementation of Minor Adaptations Without Delay by housing providers can ensure that relatively simple adaptations can be carried out without need for time consuming assessments or use of Disabled Facilities Grant.

Working with our partners across Health, Social Care, Sustainability and Housing, we aspire to achieve **better standards and health outcomes** for households in Lewisham.

### **Case study: Energy, Climate Change and Fuel Poverty**

In recent years, funding for fuel poverty and energy efficiency work has been piecemeal and complex. Lewisham Council is working with Osborne Energy to help us respond quickly to funding opportunities and create an on-going offer to our residents.

The partnership model helps generate residents' trust through use of a Council

accredited supply chain. Furthermore, it provides an opportunity for local businesses including scaffolding companies, heating engineers, builders and insulation companies to be part of the delivery process for improving the energy efficiency of households across the borough.

In July 2014, Lewisham Council launched a new offer to residents combining funding from the Government Green Deal, European Union and energy suppliers to continue home improvements.

**Our priorities:**

1. To continue to work closely with Lewisham Homes and bring all affordable homes in the borough up to the Decent Homes Standard, and maintain that standard
2. To extend the ALMO management agreement with Lewisham Homes and expand their roles and responsibilities
3. To increase resident satisfaction with their homes as a place to live, and with their local environment
4. To provide a programme of energy efficiency improvements to enable warm, healthy homes and address fuel poverty issues across all tenures of housing
5. Ensure arrangements are in place to enable prompt and cost effective installation of adaptations that maintain independence and reduce risks of falls and accidents
6. To ensure a sustainable and long term future for our housing provider partners





# Agenda Item 7

Housing Select Committee			
Title	Select Committee work programme		
Contributor	Scrutiny Manager	Item	7
Class	Part 1 (Open)	01 October 2014	

## 1. Purpose

To advise Members of the proposed work programme for the municipal year 2014/15, and to decide on the agenda items for the next meeting.

## 2. Summary

- 2.1 At the beginning of the new administration, each select committee drew up a draft work programme for submission to the Business Panel for consideration.
- 2.2 The Business Panel considered the proposed work programmes of each of the select committees on 29 July 2014 and agreed a co-ordinated overview and scrutiny work programme. However, the work programme can be reviewed at each Select Committee meeting so that Members are able to include urgent, high priority items and remove items that are no longer a priority.

## 3. Recommendations

3.1 The Committee is asked to:

- note the work plan attached at **Appendix B** and discuss any issues arising from the programme;
- specify the information and analysis required in the report for each item on the agenda for the next meeting, based on desired outcomes, so that officers are clear on what they need to provide;
- review all forthcoming key decisions, attached at **Appendix C**, and consider any items for further scrutiny.

## 4. The work programme

4.1 The work programme for 2014/15 was agreed at the Committee's meeting on 22 July 2014.

4.2 The Committee is asked to consider if any urgent issues have arisen that require scrutiny and if any existing items are no longer a priority and can be removed from the work programme. Before adding additional items, each item should be considered against agreed criteria. The flow chart attached at **Appendix A** may help Members decide if proposed additional items should be added to the work programme. The Committee's work programme needs to be achievable in terms of the amount of meeting time available. If the committee agrees to add additional item(s) because they are urgent and high priority, Members will need to consider

which medium/low priority item(s) should be removed in order to create sufficient capacity for the new item(s).

## 5. The next meeting

5.1 The following reports are scheduled for the meeting on 11 November 2014:

Agenda item	Review type	Link to Corporate Priority	Priority
<b>Brockley PFI mid-year review/Lewisham Homes mid-year review</b>	Performance monitoring	Decent homes for all	Medium
<b>Self-build update</b>	Standard item	Decent homes for all	High
<b>Communal heating review: evidence session</b>	In-depth review	Decent homes for all	High

5.2 The Committee is asked to specify the information and analysis it would like to see in the reports for these item, based on the outcomes the committee would like to achieve, so that officers are clear on what they need to provide for the next meeting.

5.3 Attached at **appendix D** is a scoping report for the Committee's communal heating systems review. The Committee is asked to consider the report and to discuss and agree the terms of reference for the review.

## 6. Financial Implications

There are no financial implications arising from this report.

## 7. 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.

## 8. Equalities Implications

8.1 The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

8.2 The Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act

- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

8.3 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.

**9. Date of next meeting**

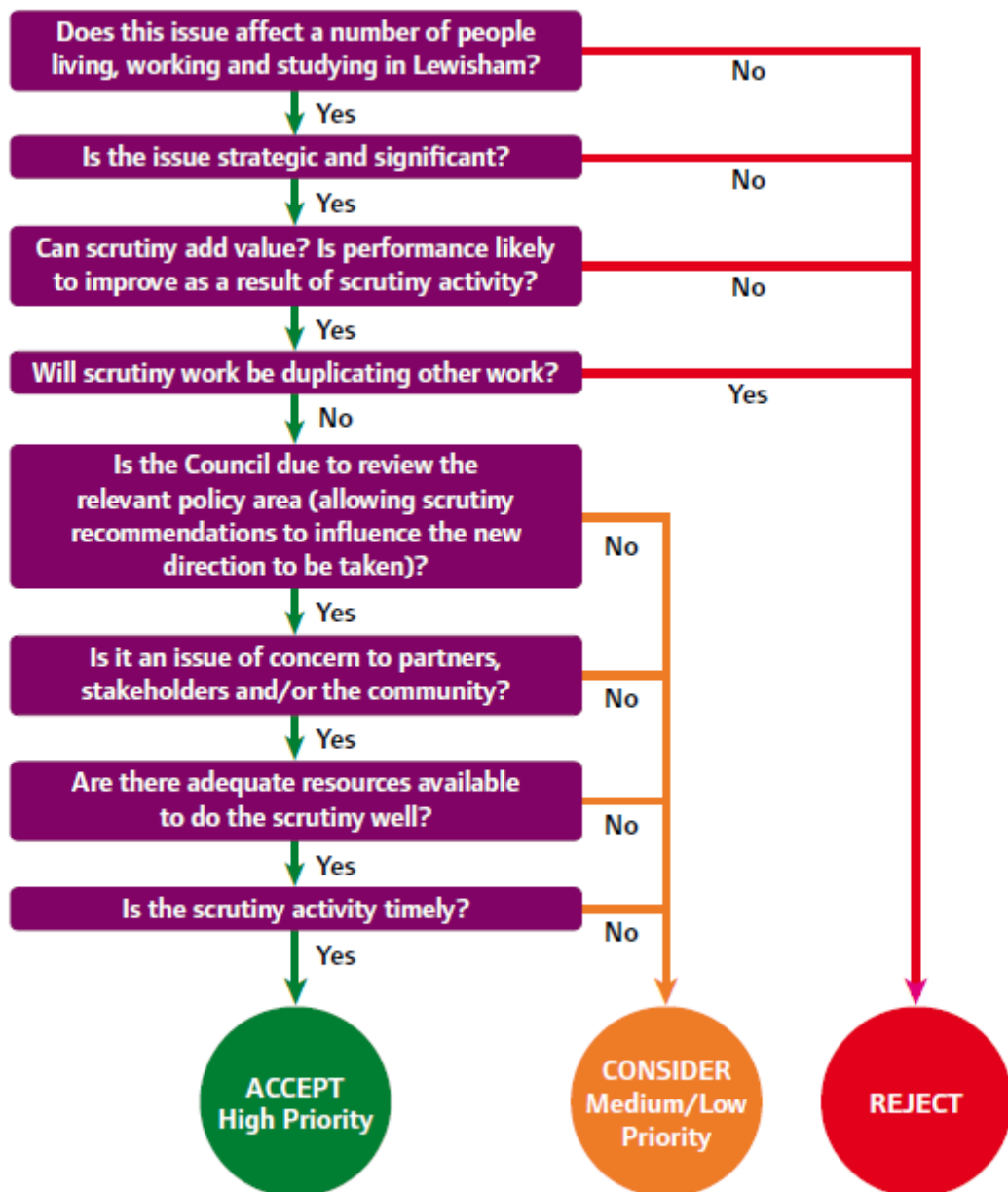
The date of the next meeting is Tuesday 11 November 2014

**Background Documents**

Lewisham Council's Constitution

Centre for Public Scrutiny: the Good Scrutiny Guide

## Scrutiny work programme – prioritisation process



**Housing Select Committee work programme 2014/15**

**Programme of work**

Work item	Type of item	Priority	Strategic priority	Delivery deadline	22-Jul	02-Sep	01-Oct	11-Nov	17-Dec	28-Jan	11-Mar
Lewisham Future Programme	Standard item	High	CP6	Jul							
Election of the Chair and Vice-Chair	Constitutional req	High	CP6	Jul							
Select Committee work programme	Constitutional req	High	CP6	Jul							
Homelessness applications & performance	Standard item	High	CP6	Jul							
Lewisham Homes annual report & business plan	Performance monitoring	High	CP6	Jul							
New Homes Better Places: phase 2	Standard item	High	CP6	Sep							
Brockley PFI mid year review	Performance monitoring	Medium	CP6	Nov							
Lewisham Homes mid year review	Performance monitoring	Medium	CP6	Nov							
Communal heating systems review	Rapid review	High	CP6	Dec			Scope	Evidence	Report		
Downsizing and moves; invitation to registered providers	Rapid review	High	CP6	Mar							
Lewisham's Housing Strategy (2014-2017)	Policy development	High	CP6	Jan							
Welfare reform update	Standard item	Medium	CP6	Oct							
Self build update	Standard item	Medium	CP6	Nov							
Private rented sector update/licensing scheme	Standard item	High	CP6	Nov							
Proposed rent and service charge increases	Standard item	High	CP6	Dec							
Annual lettings plan	Standard item	High	CP6	Mar							
Key housing issues	Standard item	Low	CP6	-							

	Item completed
	Item ongoing
	Item outstanding
	Proposed timeframe
	Item added

Meetings		
1)	Tue	22 July
2)	Tue	02 September
3)	Wed	01 October
4)	Tue	11 November
5)	Wed	17 December
6)	Wed	28 January
7)	Wed	11 March

Shaping Our Future: Lewisham's Sustainable Community Strategy 2008-2020		
	Priority	
1	Ambitious and achieving	SCS 1
2	Safer	SCS 2
3	Empowered and responsible	SCS 3
4	Clean, green and liveable	SCS 4
5	Healthy, active and enjoyable	SCS 5
6	Dynamic and prosperous	SCS 6

Corporate Priorities		
	Priority	
1	Community Leadership	CP 1
2	Young people's achievement and involvement	CP 2
3	Clean, green and liveable	CP 3
4	Safety, security and a visible presence	CP 4
5	Strengthening the local economy	CP 5
6	Decent homes for all	CP 6
7	Protection of children	CP 7
8	Caring for adults and older people	CP 8
9	Active, healthy citizens	CP 9
10	Inspiring efficiency, effectiveness and equity	CP 10

## FORWARD PLAN OF KEY DECISIONS

### Key Decision Plan September 2014 - December 2014

This Forward Plan sets out the key decisions the Council expects to take during the next four months.

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Kevin Flaherty, the Local Democracy Officer, at the Council Offices or [kevin.flaherty@lewisham.gov.uk](mailto:kevin.flaherty@lewisham.gov.uk). However the deadline will be 4pm on the working day prior to the meeting.

A "key decision"\* means an executive decision which is likely to:

- (a) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
- (b) be significant in terms of its effects on communities living or working in an area comprising two or more wards.

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
June 2014	<b>Council Tax Reduction Scheme</b>	Wednesday, 03/09/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
August 2014	<b>Financial Forecast 2014/15</b>	Wednesday, 03/09/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
August 2014	<b>Freehold Acquisition of Brookdale Club Property by CRPL</b>	Wednesday, 03/09/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
June 2014	<b>Lewisham Homes Business &amp; Delivery Plan</b>	Wednesday, 03/09/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
August 2014	<b>LIP Annual Spending Submission 2015/16</b>	Wednesday, 03/09/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
May 2014	<b>New Homes, Better Places: Phase 2 Programme</b>	Wednesday, 03/09/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan,		



**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Cabinet Member Housing		
August 2014	<b>Adult Social Care Block Contract Extension</b>	Wednesday, 03/09/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member Health-Well-Being-Older People		
August 2014	<b>Adult Social Care Domiciliary Care Framework</b>	Wednesday, 03/09/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member Health-Well-Being-Older People		
June 2014	<b>Resurfacing Works Contract Award</b>	Wednesday, 03/09/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
June 2014	<b>Campshill Road Extra Care Scheme</b>	Wednesday, 01/10/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
August 2014	<b>144 Evelyn Street (Parker House) Surplus Declaration and Approval to Demolish</b>	Wednesday, 01/10/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
June 2014	<b>Housing Regeneration Schemes</b>	Wednesday, 01/10/14	Kevin Sheehan, Executive Director for		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
		Mayor and Cabinet	Customer Services and Councillor Damien Egan, Cabinet Member Housing		
June 2014	<b>Options for the provision of permanent school places</b>	Wednesday, 01/10/14 Mayor and Cabinet	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
August 2014	<b>Reconstitution of Governing Bodies</b>	Wednesday, 01/10/14 Mayor and Cabinet	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
June 2014	<b>Surrey Canal Triangle - Compulsory Purchase Order Resolution</b>	Wednesday, 01/10/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
August 2014	<b>Award of Contract for Banking Services</b>	Wednesday, 01/10/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
June 2014	<b>Annual Parking Review</b>	Thursday, 23/10/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			Councillor Rachel Onikosi, Cabinet Member Public Realm		
June 2014	<b>Application to become an accredited Timewise council</b>	Thursday, 23/10/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Joan Millbank, Cabinet Member Third Sector & Community		
August 2014	<b>Approval for public consultation Lewisham River Corridors Improvement Plan SPD</b>	Thursday, 23/10/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
March 2014	<b>Community Infrastructure Levy Adoption version</b>	Thursday, 23/10/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2014	<b>Deptford Southern Sites Regeneration Project</b>	Thursday, 23/10/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
March 2014	<b>Planning Obligations SPD Adoption Version</b>	Thursday, 23/10/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
August 2014	<b>Reconstitution of Governing</b>	Thursday, 23/10/14	Frankie Sulke, Executive		

<b>FORWARD PLAN – KEY DECISIONS</b>					
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	<b>Bodies</b>	Mayor and Cabinet	Director for Children and Young People and Councillor Kevin Bonavia, Cabinet Member Resources		
September 2014	<b>Winter Maintenance Policy and Plan 2014/15</b>	Thursday, 23/10/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2014	<b>Corporate Energy Contracts</b>	Thursday, 23/10/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Rachel Onikosi, Cabinet Member Public Realm		
September 2014	<b>Deployable Temporary Accommodation Single Tender action</b>	Thursday, 23/10/14 Mayor and Cabinet (Contracts)	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	<b>Drumbeat 6th Form School: Phase 3 New Build</b>	Thursday, 23/10/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Paul Maslin, Cabinet Member for Children and Young People		
May 2014	<b>Education Contract Awards ICT Specialist Service Provider Framework</b>	Thursday, 23/10/14 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and		

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			Councillor Paul Maslin, Cabinet Member for Children and Young People		
September 2014	<b>Procurement of a Corporate Scanning Service Provider</b>	Thursday, 23/10/14 Mayor and Cabinet (Contracts)	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
September 2014	<b>Campshill Road Extra Care Scheme</b>	Wednesday, 12/11/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	<b>Church Grove Custom Build</b>	Wednesday, 12/11/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	<b>Deptford Southern Sites Regeneration Project</b>	Wednesday, 12/11/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	<b>Introduction of a Borough 20mph zone</b>	Wednesday, 12/11/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		

<b>FORWARD PLAN – KEY DECISIONS</b>					
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May 2014	<b>Introduction of a Street Naming &amp; Numbering Charging Service</b>	Wednesday, 12/11/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
May 2014	<b>Kenton Court and Somerville Extra Care Schemes: Update</b>	Wednesday, 12/11/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	<b>Learning Contract Provider</b>	Wednesday, 12/11/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
June 2014	<b>Housing Strategy 2015 - 2020</b>	Wednesday, 03/12/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
August 2014	<b>Customer Service centre out of hours switchboard Procurement</b>	Wednesday, 03/12/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
December 2013	<b>Strategic Asset Management Plan 2014/15</b>	Wednesday, 03/12/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		

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<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
August 2014	<b>Extension of Drug and Alcohol contract</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Janet Daby, Cabinet Member Community Safety		
August 2014	<b>Award of 3 drug and alcohol contracts: young People, Aftercare, Shared Care</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Janet Daby, Cabinet Member Community Safety		
August 2014	<b>Award of Single Violence against Women and Girls Service Contract</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Janet Daby, Cabinet Member Community Safety		
September 2014	<b>Housing Regeneration</b>	Wednesday, 21/01/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
March 2014	<b>Review of Blackheath Events Policy 2011</b>	Wednesday, 21/01/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		

**FORWARD PLAN – KEY DECISIONS**

<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
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Housing Select Committee		
Title	Communal heating review: scoping paper	
Contributor	Scrutiny Manager	Appendix D
Class	Part 1(open)	1 October 2014

## 1. Purpose

- 1.1 At its meeting on 22 July 2014, the Committee decided to carry out a review into communal heating systems.
- 1.2 This paper sets out the rationale for the review<sup>1</sup>. It provides background information about communal heating and puts forward terms of reference for discussion and agreement by the Committee.

## 2. Recommendations

The Select Committee is asked to:

- note the contents of the report
- discuss and agree the proposed terms of reference and timetable for the review, outlined in sections 6 and 7.

## 3. Policy context

- 3.1 Energy use in housing is responsible for a quarter of energy consumption and carbon dioxide emissions in the UK<sup>2</sup>. In Lewisham (where there are a relatively small number of large businesses) the use of energy in housing is responsible for the largest proportion of the borough's carbon dioxide emissions.
- 3.2 The Climate Change Act (2008) has committed the UK to becoming a low carbon economy, with a target of reducing carbon dioxide emissions by at least 80% on 1990 levels by the year 2050. Initiatives to increase the efficiency of energy usage in housing will be a central part of ensuring the country is able to meet this target.
- 3.3 Government guidance on improving energy efficiency in new build homes is set out in the Code for Sustainable Homes. The Code defines standards of energy efficiency and sustainability for new homes and coordinates a system of assessment and certification. Developments aiming for certification under the Code are required to achieve standards, for which they are able to gain credits, in the following areas:
  - energy/carbon
  - water
  - waste
  - materials

<sup>1</sup> The in-depth review process is outlined at Appendix A.

<sup>2</sup> United Kingdom housing energy fact file, Department of Energy and Climate Change (2012)

- surface water run-off
- health and well being
- pollution
- ecology
- management

- 3.4 Building regulations require all new homes to be built to the level three standard of the Code for Sustainable Homes. Homes built with government funding are required to achieve level four. Aside from this, the Code remains a voluntary assessment mechanism. Nonetheless, the Council has incorporated the Code into its planning processes. All new developments are currently required to achieve level four of the Code. This will be increased to level six from 2016 in line with the Government's commitment to ensuring that all new homes are 'zero carbon'<sup>3</sup> by 2016.
- 3.5 London's strategic plans set out a hierarchy for achieving reduced carbon emissions in all new developments. The ambition for London is that it should reduce its carbon dioxide emissions by 60% on 1990 levels by 2025. Through the London Plan, the Mayor expects all new developments to:
- Be lean: use less energy
  - Be clean: supply energy efficiently
  - Be green: use renewable energy
- 3.6 Proposals for major developments are required to include detailed energy assessments as part of their submission for planning permission to demonstrate how they intend to meet the London Plan target for carbon dioxide emissions within the framework of this energy hierarchy (London Plan p134).
- 3.7 Major developments are also required to assess the feasibility of joining existing heat networks by linking to existing infrastructure. The viability of site-wide combined heat and power systems and communal heating are included in this assessment.
- 3.8 Lewisham's sustainable communities strategy sets out the ambition for Lewisham to be 'clean green and liveable'. The strategy highlights the importance of ensuring Lewisham's contribution to a sustainable future by tackling waste and making effective use of resources.
- 3.9 Lewisham's Carbon Reduction and Climate Change Strategy was published in 2008. In 2013 the Council set a new target of a 44% reduction in the borough's carbon emissions by 2020 from a 2005 baseline.
- 3.10 Lewisham's Core Strategy, which directs the borough's planning framework, includes the objective that:  
'All new residential development (including mixed use) will be required to achieve a minimum of Level 4 standards in the Code for Sustainable Homes from 1 April 2011 and Level 6 from 1 April 2016, or any future national equivalent.'  
(Lewisham Core Strategy, p97)

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<sup>3</sup> From 2016, all new homes will be required to reduce their carbon emissions by 70% against 2006 standards. The achievement of 'zero carbon' status can be achieved through energy efficiency measures, use of renewable energy and contributions towards off site 'allowable solutions', to offset emissions.

## **5. Meeting the criteria for a review**

A review into communal heating systems meets the criteria for carrying out a scrutiny review, because:

- it is a strategic and significant issue;
- it affects a number of people living in Lewisham;
- the Council is embarking on a programme of house building, with the intention of providing 500 new homes in Lewisham by 2018.

## **6. Communal heating and energy efficiency**

- 6.1 Consumption of energy in Lewisham's households is the borough's single largest source of CO<sub>2</sub> emissions. National averages show that 60% of the energy used in homes is for heating<sup>4</sup>, so increasing the energy efficiency of homes has the potential to bring about a significant reduction of carbon emissions. As recognised by the Committee in its damp and mould review, efficient affordable heating can also help to alleviate the problems caused by condensation, damp and mould.
- 6.2 Insulating homes is one of the principal ways for buildings to reduce their energy consumption. In existing buildings, walls, floors and roof spaces are filled with insulating materials. New buildings are constructed with the insulating properties of their construction materials in mind. Windows and doors are designed to reduce heat loss and floor, wall and ceiling spaces are either insulated or constructed using materials with insulating properties.
- 6.3 Existing buildings can also be draught proofed to reduce the flow of cold air into the building and the loss of heat to the outside. New buildings are designed to eliminate draughts and heat loss. High levels of airtightness are achieved through building design and construction techniques. Factors affecting heat loss and heat gain, as well as requirements for internal and external ventilation are calculated at design stage.
- 6.4 Communal heating via a centralised heat production and distribution to a number of properties can be set up in a number of different ways. A communal heating system might incorporate a single building, a number of buildings (community heating) or a wider larger area, incorporating a number of buildings including homes, schools and businesses (district heating). There are thought to be between 10 and 15 thousand communal heating systems in operation in the UK.
- 6.5 A number of benefits are claimed for communal heating systems. In theory, efficiencies should be achieved through the scale of heat production. The use of communal heating systems also allows for the deployment of low carbon technologies that might not be feasible on a home by home basis. Communal heating systems might also reduce the requirement to carry out unit by unit maintenance and checks, in contrast to individual boiler systems. Though it should be noted that most modern communal heating systems include heat interface units in each property, which are designed to regulate and measure the flow of heat into and out of each home.

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<sup>4</sup> Uk Energy Fact File (2012) page 33

- 6.6 Provision of communal heating can also be combined with the generation of electricity, which is intended to reduce duplication and transmission costs whilst delivering efficient energy at a reasonable cost. The production of decentralised energy is thought to have a number of benefits. Such as reducing community reliance on centralised infrastructure and providing some measure of local control. The efficiency of communal heating systems relies on the realisation of these benefits, and as such, is contingent on a range of factors, which may vary on a case by case basis.
- 6.7 The Mayor of London's energy hierarchy requires new developments to ensure that they are reducing the requirement for energy consumption: As a minimum, energy assessments submitted with planning applications are expected to include the following details:
- calculations of the carbon dioxide emissions covered by the building regulations at each stage of the energy hierarchy;
  - proposals to reduce carbon dioxide emissions through the energy efficient design of the site, buildings and services;
  - proposals to further reduce carbon dioxide emissions through the use of decentralised energy where feasible, such as district heating and cooling and combined heat and power (CHP)
  - proposals to further reduce carbon dioxide emissions through the use of on-site renewable energy technologies.

(Energy planning: monitoring the implementation of the London Plan energy policies in 2013, p14)

- 6.8 The London Plan stipulates that 'development proposals should evaluate the feasibility of Combined Heat and Power (CHP) systems, and where a new CHP system is appropriate also examine opportunities to extend the system beyond the site boundary to adjacent sites.' The Plan sets this hierarchy for new developments:
- 1 Connection to existing heating or cooling networks;
  - 2 Site wide CHP network;
  - 3 Communal heating and cooling;
- 6.9 The London Authority has established a city wide programme to identify existing heat networks in order to create opportunities for new developments to meet the first priority in the hierarchy. (London Plan p141)
- 6.10 In Lewisham a number of developments have communal heating systems. The largest to date is the decentralised energy scheme at the Renaissance development in Lewisham Gateway. The project covers 800 homes, as well as the Glass Mill leisure centre and a local primary school. Plans are also being developed to widen the district heating system which utilises the heat produced by the South East London Combined Heat and Power plant (SELCHP) in north Lewisham and Southwark.

### **Challenges**

- 6.11 At its meeting on 5 March 2014 the Committee received an update from Council officers about housing regeneration schemes in the borough. Members discussed

concerns that had been brought to their attention about the Heathside and Lethbridge development in Blackheath, including:

- Overheating in communal areas of the development
- The cost of energy charges for residents
- The reliability of the heating and hot water system
- Significant overheating in individual units

6.12 There is some evidence that the concerns raised at this scheme are not individual to this case. Reports by the housing industry press highlight cases of overheating and inefficiency of some systems<sup>5</sup>.

6.13 Overheating in developments might be caused by any one of a number of different factors. The high levels of airtightness specified in new buildings combined with insufficient natural or mechanical ventilation might lead to overheating, particularly in the summer months. This challenge is recognised in the Mayor of London's Heat Network Manual, which includes a section about overheating in communal areas. The Manual illustrates the importance of careful design and installation of communal heating systems to ensure that heat loss in communal areas is minimised. It includes these methods of minimising overheating:

- Increasing the thickness of insulation on pipe work;
- Ensuring that insulation is correctly installed to the specification and inspected;
- Increasing the differential between supply temperature and return temperature; this enables smaller diameter pipes to be installed reducing the rate of heat loss from pipes which is proportional to the surface area for heat transfer.  
(London Heat Network Manual 2014, p43)

6.14 A Government consultation into heat metering has recently closed. Heat meters allow individual homes in communal heating networks to control the flow of heating into their properties and they allow accurate billing, based on consumption. The Department of Energy and Climate Change estimates that the majority of homes with communal heating systems do not have individual heat control and metering systems. Nonetheless, whilst individual controls may allow homes to manage their consumption households connected to a communal heating system still have to pay set charges for the operation and maintenance of the communal heating system. These costs will be dependent on the technology being used to power the system as well as its design, commissioning and its on-going operational costs. A report by the National Housing Federation on the lifetime costs of installing renewable energy technologies reports that Hyde Housing Association:

'...have consistently found that the extra capital costs of heat networks, metering and billing fees, and management costs have resulted in such high costs that the housing association has had to subsidise resident fuel bills to avoid fuel poverty'.  
(National Housing Federation 2010, p44)

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<sup>5</sup> Inside Housing: room to breathe <http://www.insidehousing.co.uk/room-to-breathe/6514729.article> and Inside Housing: benefits of communal heating <http://www.insidehousing.co.uk/benefits-of-communal-heating/7003694.article>

## Combined heat and power

- 6.15 The efficiency of a communal heating system is dependent on the difference between the amount of the heat being generated and the volume of heat being used. Where a heating system is required to run on a continuous basis without the demand for that heat (in the summer, for example) the efficiency of the system may substantially reduce. Excess heat may also have to be vented from the system, which has a potential to exacerbate any issues of overheating. Sites with a constant, stable demand for heat are likely to be able to achieve the highest levels of efficiency.
- 6.16 One of the anticipated benefits of communal heating is that the installation of a heat network will allow for the use of technologies that would not be feasible in an individual home. An important technology that is increasingly being used with communal heating systems is combined heat and power. The London Plan stipulates that, where new developments cannot connect to an existing heat network, the use of site wide combined heat and power (CHP) systems should be examined.
- 6.17 Local Government Association guidance notes that CHP systems can be highly efficient and result in significant CO<sub>2</sub> reductions<sup>6</sup>. However, it is recognised that sufficient density of heat demand as well as the continuous requirement for heat will work best for CHP systems. CHP systems are intended to reduce inefficiency by producing heat and electricity at the same time. Typically, the heat generated as a by-product of electricity generation is lost. Combining heat and power production and locating both processes near to the homes being supplied is supposed to improve efficiency, reduce costs and decrease CO<sub>2</sub> emissions. The realisation of these benefits is dependent on a number of factors, including the design of the system and the fuel being used to power the CHP process.
- 6.18 Biomass (often wood pellets) boilers are expected to be less carbon intensive than CHP powered by natural gas because biomass materials can be sourced sustainably. Nonetheless, issues of storage, the fluctuating costs of biomass materials, operation and maintenance of biomass CHP systems as well as the potential negative impacts on air quality<sup>7</sup> remain. In addition the failure of the biomass supply (due supply chain problems, issues with storage or persistent adverse weather conditions) would have a detrimental impact on the entirety of a development in contrast to the failure of individual boiler unit in a single home.
- 6.19 There are a range of technologies that can be used to supply communal heating systems. The design and development of each system will be dependent on the site specific circumstances of the building being supplied with heating, as well as the design, construction and commissioning of the heating system.
- 6.20 Government, the Mayor of London and the Council are all committed to reducing carbon emissions and meeting the zero carbon standard for homes by 2016. As such, the Committee might decide to focus this review on the ways in which the Council can ensure that it supports the development of comfortable, high quality homes, whilst ensuring that Lewisham meets its commitments to reducing carbon

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<sup>6</sup> Combined heat and power: [http://www.local.gov.uk/climate-change/-/journal\\_content/56/10180/3510573/ARTICLE](http://www.local.gov.uk/climate-change/-/journal_content/56/10180/3510573/ARTICLE)

<sup>7</sup> Greater London Authority: air quality support: biomass and CHP efficiency standards  
<https://www.london.gov.uk/sites/default/files/AMEC%20Emissions%20Standards%20Final%20Report%2013103i1.pdf>

emissions. The review might examine the effectiveness of current approaches and the potential challenges to delivering sustainable heat for homes.

## **New homes**

- 6.21 The Council is embarking on a programme of building new homes – under the New Homes Better Places programme, with the intention of providing 500 new homes by 2018. As stated above, the Council has also committed to reducing the amount of carbon produced – and supporting residents in reducing their heating and energy costs. The second phase of the scheme is due to be implemented.
- 6.22 Lewisham’s core strategy anticipates that 1000 homes a year will be built across all tenures before 2026. Ensuring that the Lewisham invests and supports efficient provision of energy will be of vital importance to achieving the borough’s ambitions for carbon reduction.

## **7. Key lines of inquiry**

- 7.1 The Mayor of London has a clear position on the development of communal heating. The London heat map is designed to ensure that new developments make use of decentralised energy sources.
- 7.2 The Committee might aim to add value to future plans for development in the borough by looking at the design and delivery of communal heating systems in Lewisham. This could be achieved through a comparative analysis of information and case studies. The Committee may also want to explore the issues which lead to the selection of some technologies over others.
- 7.3 The Committee might also wish to examine the impact of current policies and plans on residents in order to achieve a balanced view of the benefits and challenges associated with the development and deployment of new technologies.
- 7.4 Review questions
- How can the Council help to ensure the effective deployment of communal heating systems in the borough, where appropriate?

In order to answer this question the Committee will need to establish the following:

- An understanding of the issues influencing the development and deployment of heating systems in Lewisham;
- Evidence of the benefits and drawbacks of existing communal heating systems in the borough;
- The factors influencing the effective design and operation of heating systems.

This might focus on the following key areas:

- Design (including predicted costs and energy consumption contrasted with actual costs and energy consumption from case studies)
- Implementation (including problems with construction)
- Monitoring and operation (including running costs)
- Lessons that can be learnt for future developments

- 7.5 Issues outside of the scope of the review:

- Government's carbon reduction targets;
- The Council's climate change targets and planning policy;
- Individual householder issues.

## 8. Timetable

The Committee is asked to consider the outline timetable for the review as set out below.

Given the nature of the topic for review, the Committee may wish to carry out its investigation by asking key informants and case studies focused around two evidence-taking sessions at the Committee's meetings on 11 November 2014 and 17 December 2014:

- Officers from two developments with communal heating schemes inside or outside of the borough.
- Officers from the GLA to update on the delivery of the London heat map project.
- Expert witnesses from the energy sector to talk about the opportunities and challenges of communal heating.
- Officers of the Council to provide information and evidence about the Council's planning and building control responsibilities.
- Residents who live in developments with a communal heating systems

## 9. Recommendations and final report (January 2015)

- The Committee may choose to consider a final report presenting all the evidence taken and agree recommendations for submission to Mayor and Cabinet.

## 10. Further implications

At this stage there are no specific financial, legal, environmental or equalities implications to consider. However, each will be addressed as part of the review. It should be anticipated that there will be implications arising from the Council's obligations to carbon reduction, agreed planning policy and building regulations.

### Sources

Code for Sustainable Homes

<https://www.gov.uk/government/policies/improving-the-energy-efficiency-of-buildings-and-using-planning-to-protect-the-environment/supporting-pages/code-for-sustainable-homes>

Energy for London G15 slides

<http://www.energyforlondon.org/london-housing-and-community-heating-presentations/>

Gov.uk: housing energy fact file

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/201167/uk\\_housing\\_fact\\_file\\_2012.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/201167/uk_housing_fact_file_2012.pdf)



GLA energy planning monitoring report (2013)

<http://www.london.gov.uk/priorities/environment/publications/monitoring-the-implementation-of-london-plan-energy-policies-in>

Housing Select Committee: damp and mould review

<http://www.lewisham.gov.uk/mayorandcouncil/overview-scrutiny/Overview-and-Scrutiny-Reports/Documents/ShortReviewHealthImpactOfDampMould.pdf>

Lewisham Carbon reduction and climate change strategy

<http://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/strategies/Documents/ClimateChangeStrategyFINAL.pdf>

National Housing Federation: Lifetime costs of installing renewable energy technologies: [http://s3-eu-west-](http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Lifetime%20costs%20of%20installing%20renewable%20energy%20technologies.pdf)

[1.amazonaws.com/pub.housing.org.uk/Lifetime%20costs%20of%20installing%20renewable%20energy%20technologies.pdf](http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Lifetime%20costs%20of%20installing%20renewable%20energy%20technologies.pdf)

The London Plan

<https://www.london.gov.uk/priorities/planning/london-plan>

Zero carbon homes: definition

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/8557/1415525.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8557/1415525.pdf)

## **Background Papers**

Housing Select Committee minutes 22/07/14 <http://tinyurl.com/pmykvlz>

For further information please contact Timothy Andrew, Scrutiny Manager on 02083147916.

# How to carry out an in-depth review

