

Housing Select Committee Agenda

Thursday, 9 November 2017

7.30 pm,
Civic Suite
Catford
SE6 4RU

For more information contact: John Bardens (02083149976)

Part 1

Item		Pages
1.	Minutes of the meeting held on 6 September 2017	3 - 10
2.	Declarations of interest	11 - 14
3.	Responses from Mayor and Cabinet	
4.	Models of delivering new housing - evidence session	15 - 28
5.	Lewisham Future Programme	29 - 114
6.	Developments in the private rented sector	115 - 132
7.	Housing zones update	133 - 160
8.	Key housing issues	161 - 188
9.	Select Committee work programme	189 - 206
10.	Referrals to Mayor and Cabinet	

Housing Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Thursday, 9 November 2017.

Barry Quirk, Chief Executive
Tuesday, 31 October 2017

Councillor Carl Handley (Chair)	
Councillor Peter Bernards (Vice-Chair)	
Councillor David Britton	
Councillor Bill Brown	
Councillor John Coughlin	
Councillor Sophie McGeevor	
Councillor Jamie Milne	
Councillor Olurotimi Ogunbadewa	
Councillor Pat Raven	
Councillor Jonathan Slater	
Councillor Alan Hall (ex-Officio)	
Councillor Gareth Siddorn (ex-Officio)	

MINUTES OF THE HOUSING SELECT COMMITTEE

Wednesday 6 September 2017, 7.30pm

Present: Councillors Carl Handley (Chair), Peter Bernards (Vice Chair), Olurotimi Ogunbadewa, Jonathan Slater, Bill Brown and Sophie McGeevor.

Apologies: Councillors Britton and Coughlin.

Also present: Jeff Endean (Housing Strategy and Programmes Manager), Kevin Sheehan (Executive Director for Customer Services), Rachel Dunn (Housing Policy and Partnerships Manager), Tom Chance (National Community Land Trust Network), Tony Rich (RUSS), Calum Green (London Community Land Trust), Steve Bonvini (RB3), Louise Wallace (Pinnacle), Hugo Marrias (Rydon), Andrew Potter (Chief Executive, Lewisham Homes), and John Bardens (Scrutiny Manager).

1. Minutes of the meeting held on 5 July 2017

Resolved: the Committee agreed the minutes of the last meeting as a true record.

2. Declarations of interest

The following non-prejudicial interest was declared:

- 2.1 Councillor Slater is a member of the board of Phoenix Community Housing.

3. Responses from Mayor and Cabinet

The committee received the Mayor and Cabinet response to the committee's housing and mental health review. The following was noted:

- 3.1 The committee thanked the Mayor for the positive response.
- 3.2 The committee stressed the importance of devising a new protocol, noting that without something new like this the situation will not improve.
- 3.3 The committee also stressed the importance of arranging for an independent organisation, such as Shelter, to carry out a review after six months.

Resolved: the committee noted the response from Mayor and Cabinet.

4. Models of delivering new housing – evidence session

Jeff Endean (Housing Strategy and Programmes Manager) briefly outlined the council's position on community-led housing. The following key points were noted:

- 4.1 The Lewisham Housing Strategy supports community-led housing development and it has been included in the strategy for a number of years.
- 4.2 There are two active developments in the borough, one in Ladywell with RUSS and one in Sydenham with the London CLT.

4.3 As far as officers are aware, Lewisham is the only borough in the country with two active CLTs. The council will look at the success of these and see where it goes.

Tom Chance (National CLT network) provided evidence to the committee. The following key points were noted:

4.4 The National Community Land Trust Network (NCLT) is a network of 225 Community Land Trusts (CLTs) across England and Wales.

4.5 The organisation has been around for 7 years and in that time the community land trust movement has built 800 homes around England and Wales, with around 4000 more in the pipeline.

4.6 Community-led housing (such as CLTs) is where the community initiates and controls the housing-delivery process, as opposed to being consultees, and are ultimately the owners or stewards of those homes in the long term.

4.7 The NCLT noted that there are already a number of community-led housing approaches active in Lewisham.

4.8 Last year the NCLT was involved in a review of new models of housing supply by the All Party Parliamentary Group on housing and planning.

4.9 The review found that there are benefits to the community-led housing approach in terms of delivering genuinely affordable housing, but also in terms of community engagement and support.

4.10 The review also found that the community-led approach tends to lead to higher quality housing.

4.11 The main barrier for community-led housing groups is accessing land, particularly in London and cities, where it's a very competitive land market.

4.12 There has been very fast growth of CLTs in rural areas, where Rural Exception Sites provide groups access to land.

4.12 Initiatives like Lewisham's programme of looking at infill sites and the GLA and TFL small sites programme are a good opportunity for public authorities to think about how to make more sites available for community-led approaches.

4.12 Community-led housing groups also face difficulties accessing start-up advice and support.

4.13 In some parts of the country there are well-established organisations that can support groups from having the initial idea through to getting on site.

4.14 The NCLT is working with the GLA to set up a community-led housing hub for London, which would provide support for community-led housing groups.

4.15 It is also important that community groups do not have to go through costly competitive procurement processes. Groups can often be put off schemes if they have to through a procurement process.

- 4.16 Councils could help improve the community-led process by aligning their relevant departments in a way that helps the process of providing land to community-led groups work as smoothly as possible.
- 4.17 The NCLT said that if the council is able to dispose of land at a price that's going to enable genuinely affordable development, then community-led housing is able to deliver high-quality, affordable housing, with high levels of community support, while building assets and skills in the local community.

Tony Rich (RUSS) provided evidence to the committee. The following key points were noted:

- 4.18 RUSS (Rural Urban Synthesis Society) is a CLT based in Lewisham. Established in 2009, it has 700 members, who pay £1 each for life membership.
- 4.19 Its main focus is the provision of affordable homes in perpetuity for Lewisham residents. It's also interested in reducing environmental impact.
- 4.20 RUSS's first development, in Church Grove, Ladywell, will provide 33 homes of a range of tenures, including affordable sale, affordable rent, and social homes.
- 4.21 The sale price will be linked to average earnings in the area. RUSS will retain a 20% stake in each property to ensure that they are affordable in perpetuity.
- 4.22 There is a mixture of people moving into RUSS's Church Grove development, including older people downsizing. This is important because CLTs also need people who have money to invest in projects like this.
- 4.23 RUSS noted that their project has been quite complicated – it's self-build, it's cohousing, and it is being run as a co-design process with residents.
- 4.24 One of the main benefits of self-build is the opportunity to provide training. RUSS is intending to offer accredited training to develop local skills.
- 4.25 The other incentive with self-build is that people can get a significant discount if they do the full amount of custom building.
- 4.26 RUSS acknowledged that there are other models, including those highlighted in the background paper, such as partnering, for example. RUSS noted that in Bristol there is a CLT which partners with a housing association.
- 4.27 RUSS would be in favour of trying a range of different approaches, including partnering with private developers or housing associations.
- 4.28 RUSS accepts that community groups will often have to settle for more difficult sites, as they are unable to compete for land with the big developers.
- 4.29 In terms of what makes a CLT successful, RUSS said that building a broad membership in an affordable way has been important to them.
- 4.30 RUSS also stressed the importance of talking to the local community about the development.

- 4.31 RUSS said that access to affordable land is also a barrier and that a pipeline of low cost land (including difficult sites) would help significantly.
- 4.32 RUSS have also struggled without paid staff. They said, as a group of volunteers, funding the employ someone to help run the organisation would make a significant difference.
- 4.33 RUSS has had a positive experience working with Lewisham, both officers and members. They are grateful for the support they have received and are keen to get more houses on the ground.

Callum Green (London CLT) provided evidence to the committee. The following key points were noted:

- 4.34 The London CLT helps communities provide permanently affordable homes in their local neighbourhoods.
- 4.35 In Lewisham they're partnering with Lewisham Citizens on a community land trust site in Brasted Close in Sydenham.
- 4.36 The project is on an infill garage site and is hoping to provide 10-12 homes, which will be genuinely affordable (linked to local median incomes).
- 4.37 A one-bed property will be around £166-180K, a two-bed will be about £215-231K, and a three-bed around £264-282K – roughly half the market price.
- 4.38 The homes will be permanently affordable – when residents come to sell they will have to sell it on according to local median incomes again.
- 4.39 This continues for as long as the lease exists, often 125 to 250 years.
- 4.40 The Brasted Close site should go to planning at the beginning of 2018.
- 4.41 The way homes will be allocated has not yet been decided.
- 4.42 The London CLT's first site, in Mile End East London development, St Clements, is a private development, built by Linden Homes, in partnership with the Greater London Authority (GLA) and Peabody.
- 4.43 It will provide 252 new homes, 35% of which will be genuinely affordable, including 58 for 'social rent' and 23 community land trust homes. There will be CLT homes in all the blocks.
- 4.44 The benefit of being involved in a private development is that it's less risky. You don't need to borrow money to finance the procurement risk, for example. The downside is that you don't get the self-build opportunities.
- 4.45 In terms of increasing scale for CLTs, London CLT suggested setting a long-term target for the number of community-led homes.
- 4.46 Being able to show that there's a programme in place over a number of years would make securing investment much easier for community groups.

- 4.47 The London CLT expressed support for the idea of giving community-led housing groups first refusal on certain pockets of land.
- 4.48 Further sites for CLT homes in London have been identified in Redbridge, Croydon, Lambeth, Southwark.
- 4.49 The London CLT said that working with Lewisham has been a genuine pleasure.

The committee asked the witnesses a number of questions. The following key points were noted:

- 4.50 NCLT pointed out that the approaches RUSS and London CLT have taken are not the only approaches you can take to CLTs.
- 4.51 They noted the programme in Wales, involving the Welsh Assembly Government, in which schemes that were going to be done by housing associations or councils are being turned into community-led schemes.
- 4.52 They said that community-led projects do not always have to settle for the awkward sites.
- 4.53 They noted that a number of local authorities in the UK with bigger development sites are now aiming to have a percentage of those delivered by a community-led organisation. This is how the London CLT developed their homes in their scheme in Mile End.
- 4.54 NCLT said that Lewisham could aim to get community-led organisations involved in some of the big regeneration projects in the borough.
- 4.55 With councils introducing self-build and custom-build registers, and allocating a percentage of homes in local plans to these approaches, the NCLT suggested that the same could be done with community-build approaches.
- 4.56 Members of the NCLT network have a range of allocation policies.
- 4.57 Those that work with a housing association or the council, for example, will often take a proportion from the council list. Those in rural towns and villages will often require people to demonstrate a strong connection to that area.
- 4.58 Applications for the London CLT's Mile End development were scored according to a criteria agreed with the local authority. The London CLT would support a similar policy in Lewisham.
- 4.59 RUSS had a ballot to allocate their homes. Applicants also had to demonstrate a link with Lewisham for two out of the last five years and not be able to afford market prices.
- 4.60 Officers noted that it's important to recognise that the council does not have a lot of land anymore. While there are some pockets of land that may be suitable for community-led housing like CLTs, the council has to carefully consider the consequences of whatever it does with its land.

- 4.61 Officers noted that the council would need to think very carefully about the possibility of a first-refusal policy on certain pockets of land for CLTs. With a blanket policy like this, the danger is that the council becomes inflexible in what it can do with its land.
- 4.62 Officers noted that it's important to consider the council's priorities when drawing up an allocations process. The council has more than 9000 people on the housing list and any time we consider developments in the borough, we have to consider social housing.
- 4.63 Officers noted that there is commercial property available, which CLTs could look into as well.

The Committee made a number of comments. The following were noted:

- 4.64 The committee discussed the possibility of giving community-led housing groups first refusal on small pockets of land – pockets of land that are exempt from the requirement to provide affordable housing (sites of 10 homes or fewer).
- 4.65 The committee recognised the benefits of cohousing, particularly for older people, in terms of health and social life. The committee queried how the council could reach out to older people and make it easier for them.
- 4.66 The committee also queried how to get a broader range of people into cohousing given it has so many benefits.
- 4.67 The committee discussed using wards' Neighbourhood Plans as a way for community groups to identify possible sites for CLTs – as it is often those in the local community that know the area best.
- 4.68 The committee queried with officers whether there is a publically available and accessible register of pockets of land in the borough.
- 4.69 The committee recognised the importance of the council having a streamlined process to make community projects like CLTs as straightforward as possible.

Resolved: the Committee noted the evidence provided by the witnesses.

5. Lewisham Homes annual report

Andrew Potter (Chief Executive, Lewisham Homes) introduced the annual report. The following was noted:

- 5.1 Over the last year Lewisham Homes has brought more homes up to the decent homes standard and all homes will be up to standard this year.
- 5.2 Resident satisfaction has increased and complaints have decreased. More is being invested in grounds maintenance work.
- 5.3 More services are being made available to residents online.

- 5.4 100 homes have been acquired for temporary housing and there is going to be further investment in sheltered housing.
- 5.5 Lewisham Homes achieved leaseholder satisfaction rates of around 60% (600 people surveyed).
- 5.6 Lewisham Homes also achieved high levels of staff satisfaction and attained the *Investors In People* Gold accreditation.
- 5.7 Lewisham Homes has a leaseholder forum and two leaseholder board members, but also goes out door knocking to find out more about the issues people are facing.
- 5.8 While Lewisham Homes is making an increasing number of services available online, it is not removing other ways of accessing them – there will still be a reception and a phone service.
- 5.9 Lewisham Homes also runs drop-in sessions on digital skills for residents.
- 5.10 In terms of leaseholder satisfaction, the committee noted that Phoenix Housing had improved satisfaction rates through increased engagement.
- 5.11 The committee queried what Lewisham Homes is doing to help those residents who are unable to access services online.

Resolved: the committee noted the report.

6. Brockley PFI annual report

Steve Bonvini (Operations Director, RB3) introduced the annual report. The following was noted:

- 6.1 This year customer satisfaction increased to 95%. There was, however, a 1% increase in complaints.
- 6.2 Planned works will continue each year until the end of the PFI contract.
- 6.3 RB3 confirmed that residents had been asked to remove flower pots from the balconies. RB3 acted on the advice of independent fire assessors, who pointed out that they could be a trip hazard in a fire.
- 6.4 RB3 agreed to provide the committee with the number of people who completed the customer satisfaction survey.
- 6.5 RB3 agreed to provide the committee with the details of local residents' associations.
- 6.6 RB3 agreed to provide the committee with a programme of planned works to help councillors if residents contact them.

6.7 The committee queried how RB3 define a complaint.

Resolved: the committee noted the report.

7. Key housing issues

7.1 The council continues to work closely on fire safety with Lewisham Homes and other housing partners in the borough.

7.2 By May 2018, around 100 new council homes will have been built since 2014. By 2020, the council will have built around 500 new council homes.

7.3 Officers noted that it has taken longer than expected to build the target of 500 new council homes, but said that they are now set up to deliver more homes in the next administration.

Resolved: the committee noted the report.

8. Select Committee work programme

Resolved: the Committee noted the work programme.

9. Referrals

7.1 There were no referrals at this meeting

The meeting ended at 21.55pm

Chair:

Date:

Housing Select Committee			
Title	Declarations of Interest	Item No.	2
Contributor	Chief Executive		
Class	Part 1 (open)	9 November 2017	

Declaration of interests

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

1 Personal interests

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

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

2 Disclosable pecuniary interests are defined by regulation as:-

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

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

(3) Other registerable interests

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

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

(4) Non registerable interests

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

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

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

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

(6) Sensitive information

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

(7) Exempt categories

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

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

This page is intentionally left blank

Housing Select Committee		
Title	Models of delivering new housing – evidence session	
Contributor	Scrutiny Manager	Item 4
Class	Part 1 (open)	9 November 2017

1. Introduction

The second evidence session of the committee's in-depth review of models of delivering new housing members will focus on joint venture models of housing delivery. The committee will receive evidence from key council officers and external witnesses, including:

- Nick Porter (Local Government Association)
- Rose Grayston (Shelter)
- Lindsay Mortimer (Brockley Tenants' Co-operative)

2. Key lines of enquiry

The key lines of enquiry, as agreed by the select committee, are set out below:

- **Consider the different models for delivering new housing in operation in Lewisham.** The key characteristics of each, the number of new homes being provided, within what timeframe, at what cost, and with which partners? In particular, how many affordable homes are they to provide, and which types. What are the anticipated next steps for each model?
- **Consider the advantages and disadvantages of each model for Lewisham,** in the short, medium and long-term, in terms of speed, cost, scale, quality, affordability, and the needs of Lewisham residents. And gather evidence about other models that could be of interest to Lewisham.
- **Consider the scope for further community-led models,** looking at, among other things, scalability, costs and local demand. **Also consider scope for different models of joint venture,** looking at, among other things, land and assets available and possible partners to council could work with – public and private.
- **Consider how the council might work with partners in the future** to ensure that good levels of affordable housing are achieved, taking into account, among other things, speed, costs, and tenure mix.
- **Consider the necessary involvement from the council for different models,** in the short, medium and long term. What help and support can and should the council provide in terms of, among other things, guidance, coordination and management, and funding and investment? Does the council have the capacity and necessary expertise?

4. Recommendations

The Committee is asked to note this information.

If you have any questions, please contact John Bardens (Scrutiny Manager) on 02083149976.

This page is intentionally left blank

Housing Select Committee		
Title	Models of delivering new housing – scoping note	
Contributor	Scrutiny Manager	Item 5
Class	Part 1 (open)	26 June 2017

1. Purpose

At its meeting on 18 April 2017, the Committee agreed to hold an in-depth review into different models of delivering new housing in Lewisham. This paper provides some background information about delivery models for new housing, nationally as well as in Lewisham, and suggests some key lines of enquiry for the review.

2. Recommendations

The Committee is asked to:

- Consider and note the content of the report.
- Consider and agree the proposed key lines of enquiry and timetable for the review.

3. Policy context

- 3.1 It is widely accepted that there is a housing affordability crisis in London. The London Housing Commission said that providing enough secure, affordable and decent homes is one of the biggest challenges facing the capital – with London needing at least 50,000 of them each year to keep pace with its growing population.¹
- 3.2 The Commission found that the average house in London costs half a million pounds, more than 12 times the median income – the highest ratio since records began.² And according to Shelter, across England, eight out of ten working, private renting families cannot afford a newly-built home in their area.³
- 3.3 Lewisham itself faces severe housing pressures across all tenures, with a chronic lack of supply of new homes driving higher prices and decreasing levels of affordability. According to the Land Registry, the average house price in Lewisham is now more than £414,000 – 80% increase on 2010 (£226,000).⁴
- 3.4 Much attention is paid, nationally and regionally, to the numbers of new homes being delivered. The national government's target is to build one million new homes by 2020, while the London target is 42,000 each year.⁵ Lewisham also has a target of 18,165 new homes between 2009/10 and 2025/26.⁶
- 3.5 As well as setting targets for volume, Lewisham is employing a range of models of delivering new housing, providing a variety of housing options, from community-led approaches and temporary housing using modern methods of construction to joint ventures with private partners.
- 3.6 But which models, or combination of, are best suited to the needs of Lewisham residents? This review is intended to take a closer look at a number of different models and gather evidence to help the Housing Select Committee inform the debate.

¹ Bliss, N (2009), *Bringing Democracy Home*, Commission on Co-operative and Mutual Housing, p3

² *ibid*, p5

³ Shelter, *New Civic Housebuilding*, March 2017, p2

⁴ landregistry.data.gov.uk/app/ukhpi/explore

⁵ *The London Plan*, 2016, p97

⁶ *Lewisham Core Strategy*, 2011, p36

4. Community-led housing models

4.1 Community-led housing is designed and managed by local people and built to meet the needs of the community – not for private profit. It's intended to be a way for local communities to provide their own decent and affordable homes.⁷ Housing can be rented to local people at affordable rates, kept low over the long-term, or sold to create income for the community. It's often designed to help certain groups – for example, young people, older people, or those in need of affordable family homes.⁸

4.2 Community-led housing projects come in many forms, including Community Land Trusts, Co-operatives, Cohousing, and self-help housing, but two schemes are rarely the same. It's meant to be about enabling local people to develop housing in the way that is right for them.

4.3 Overall, community-led housing currently represents less than 1% of the UK's housing stock.⁹ This compares to 5 to 15% across Europe.¹⁰ The sector is growing however, as the need for local, affordable housing persists, particularly in large urban areas. The Smith Institute found that the sector is currently developing around 370 homes a year.¹¹

4.4 The box to the right sets out some of the benefits the 2009 Commission on Co-operative and Mutual Housing found that community-led housing can provide, where properly fostered and nurtured.¹²

- deliver high resident and member satisfaction with services alongside vibrant community identity;
- stimulate individual and community resilience through active and democratic citizenship;
- provide a place-making cornerstone, making places work better for people who live in them;
- contribute to addressing social disadvantage and worklessness;
- can enable collective influence over what happens beyond the immediate boundary of an individual property, whilst at the same time supporting the individual household interest in housing;
- be a tenure of status, meeting the needs and aspirations of people who want their individuality guaranteed through community based solutions.

4.5 Research has also found that community-led housing provides added social value. There is evidence that controlling assets by tenants and low-income groups has positive effects on personal and community wellbeing, as well as self-esteem, health, employment, and life chances.¹³

4.6 The community-led sector is currently dominated by co-operatives in terms of the existing housing portfolio – there are around 800 co-operatives in the UK, managing around 170,000 homes – but

Source: Co-operative and Mutual housing commission

⁷ locality.org.uk

⁸ *ibid*

⁹ Locality, *Understanding the potential of small-scale community-led housing*, July 2015, p20

¹⁰ Kevin Gulliver and Chris Handy (2014) *More than Markets. Mutual and co-operative housing in the UK*. Institute for Human City, p21

¹¹ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p15

¹² Bliss, N (2009), *Bringing Democracy Home*, Commission on Co-operative and Mutual Housing, p16

¹³ Kevin Gulliver and Chris Handy (2014) *More than Markets. Mutual and co-operative housing in the UK*. Institute for Human City, p23

information from the sector suggests that community land trusts are likely to achieve the majority of new development.¹⁴

4.7 According to the Economic & Social Research Council, community-based housing groups can make significant contributions to affordable housing, regeneration, and local wellbeing, but they cannot be expected to replace traditional social housing or resolve fundamental societal issues on their own, without local and central government support.¹⁵

4.8 In December 2016, Big Society Capital (an independent financial institution set up to help grow social investment in the UK) launched a £15m investment facility for social investors to fund large-scale community-led housing projects. The facility will support the growth of community-led housing by investing alongside other social investors into projects across the UK.¹⁶

4.9 Under the National Housing Federation's 2015 voluntary Right-to-Buy agreement with the government, most community-led developments should be exempt from the Right to Buy.¹⁷

Models of community-led housing

MODEL	DESCRIPTION OF THE MODEL
Self-help Housing	Self-Help Housing involves groups of local people bringing empty properties back into residential use. Use of the properties varies from long term tenancies to short life housing to meet immediate needs such as move on accommodation and supported housing.
Cohousing	Cohousing is a form of intentional, self-managed community, made up of single private dwellings and additional shared communal facilities such as a common house with a community kitchen and dining room. Cohousing communities can be mixed tenure.
Cooperative and tenant controlled Housing	A Housing Co-op is a housing organisation where members (tenants) democratically control and manage their homes. Housing Cooperatives are autonomous of external organisations. Housing cooperatives are encouraged to cooperate with other cooperatives and a key feature is the education and training of members.
Community Land Trust (CLTs)	CLTs are independent local organisations established to tackle dysfunctional housing market issues and create permanently affordable intermediate housing for purchase and for rent. CLTs sometimes own other facilities on behalf of the community.
Development Trusts, Settlements & Social Action Centres	They are community anchor organisations involved in a broad spectrum of community projects, charitable assistance, enterprise and community asset development that span social, economic and environmental concerns in a local area.

Source: Locality (2015)

¹⁴ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p15-7

¹⁵ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p21

¹⁶ Big Society Capital news release, *New £15m investment boost for community-led housing projects*, 13 Dec 2016

¹⁷ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p42

5. Community Land Trusts

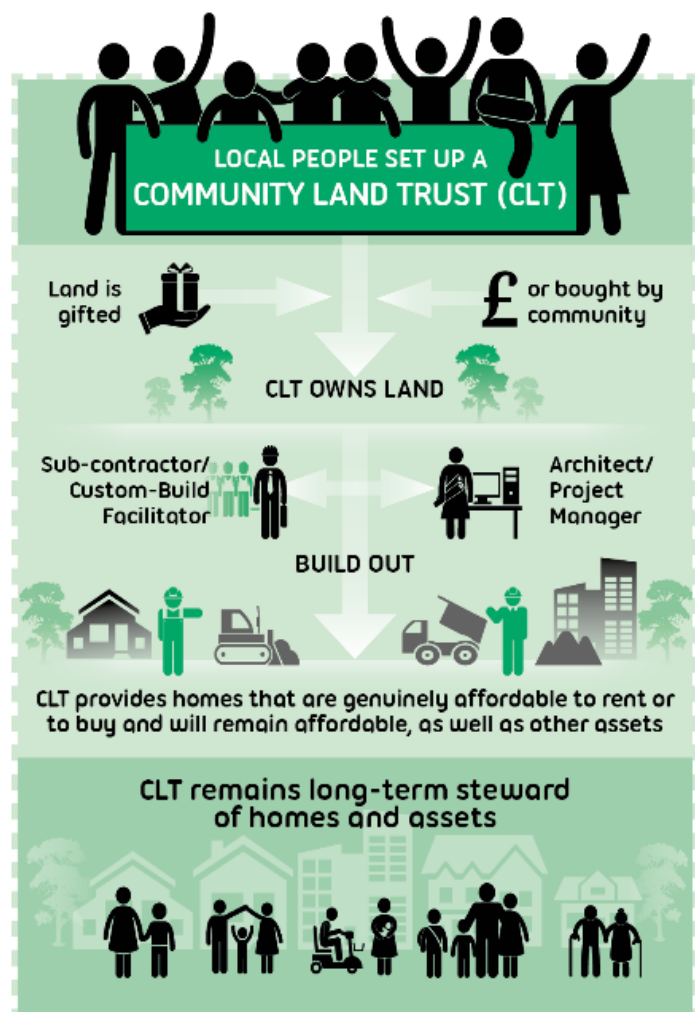
5.1 Community Land Trusts (CLT) are a form of community-led housing where local organisations set up and run by ordinary people develop and manage homes. The main purpose of the CLT is to make sure that the homes are genuinely affordable, based on what people actually earn in their area, and not just for now but for every future occupier.¹⁸

5.2 There are currently more than 225 community land trusts in England and Wales, half of which were set up in the last two years. According to the National CLT Network's estimates, a further 700 CLT homes are due to be completed by 2018, and more than 1,300 by 2020.¹⁹

5.3 CLTs are defined in law and there are certain things that a CLT do:²⁰

- A CLT must be set up to benefit a defined community
- A CLT must be not-for-private-profit. This means that they can, and should, make a surplus as a community business, but that surplus must be used to benefit the community
- Local people living and working in the community must have the opportunity to join the CLT as members
- Those members control the CLT (usually through a board being elected from the membership).

5.4 Many CLTs are not registered as a Registered Provider with the Homes and Communities Agency and so should not be affected by the Right to Buy.²¹



Source: National Community Land Trust Network

¹⁸ www.communitylandtrusts.org.uk

¹⁹ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p16

²⁰ *ibid*

²¹ www.communitylandtrusts.org.uk

6. Community land trusts in Lewisham

- 6.1 Lewisham's Housing Strategy 2015-2020 includes a commitment to work with local communities and partners to maximise the delivery of well-designed and affordable new homes, and an objective to support resident-led development.
- 6.2 Lewisham is currently working with community land trusts on two separate developments in the borough, as an alternative way to provide homes that will be affordable in perpetuity.
- 6.3 At Church Grove, Ladywell, the council has been working with The Rural Urban Synthesis Society (RUSS) on a development that will provide 33 affordable homes – 14 for shared equity, 12 for shared ownership, and 2 shared houses for affordable rent and 5 social homes. The model RUSS are using on the site is to retain at least 20% ownership across all of the tenures so that they can make sure that any resale is affordable.
- 6.4 RUSS have recently completed an extensive co-design process with the Church Grove residents group and are currently working towards submitting a planning application. It's anticipated that the self-build process can start in early 2018.
- 6.5 A further community land trust site has been identified in Brasted Close, Sydenham. Officers have been working with the London Community Land Trust, Lewisham Citizens and the local community to develop plans for 14 new homes. These homes will be for sale with the value linked to local median income in perpetuity. Like with the Church Grove site, the contract signed by new residents makes sure that future sales are at a price according to local earnings.

Building the homes our residents need – our aims:

To work with our communities and partners in order to maximise our ability to deliver well designed and affordable new homes for Lewisham.

To support the development of new homes that meet high standards of design, sustainability, accessibility and energy efficiency to meet the long-term needs of our residents.

[...]

Source: Lewisham Housing Strategy 2015-2020

7. Co-operative housing

- 7.1 Co-operative housing is housing that is “developed by, with and usually for, a democratic community membership organisation; and is controlled (and in some cases owned) by a local democratic community membership organisation”.²²
- 7.2 Co-operatives are essentially housing associations governed by the tenants/members which provide grass-roots control over housing. They provide rented housing without landlords, where the tenants are collectively their own landlord.
- 7.3 Co-operatives come in all shapes and sizes and can have diverse structures and constitutions. Two of the most common models in the UK are Tenant management organisations and Housing Owned by the Co-operative.²³

²² Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p17

²³ *ibid*

- **Tenant management organisations (TMOs).** Certain housing services are democratically managed by tenants through a management agreement with the social landlord. TMOs do not own the properties in which their members live.
- **Housing Owned by the Co-operative.** Here the housing is owned and democratically governed by the membership. Members have collective control and have the same responsibilities and privileges as any other homeowner.

7.4 Within the community-led sector, co-operative housing is the largest in terms of existing housing under management. There are an estimated 836 co-operatives operating within the UK, managing around 169,000 homes.²⁴

8. Co-operative housing in Lewisham

8.1 There are a number of co-operative housing schemes established in Lewisham, including:

- **Deptford Housing Co-operative** – A fully mutual ownership co-operative with 138 properties.²⁵
- **Sanford Housing Co-operative** – 14 purpose-built shared houses and 6 studio flats, providing 123 single rooms.²⁶
- **May Day Permanent Housing Co-operative** – 17 homes, from one-bed flats to four-bed flats. Operates a 50% nominations agreement with the Lewisham Council.²⁷
- **Brockley Tenants' Co-operative** – owns 90 flats and houses and manages a further 72 which belong to Hexagon Housing Association.²⁸

“Local authorities would benefit from looking at Europe. There are hundreds of co-housing groups in the Netherlands and the government actively subsidises it as a real option for people to choose.”

Dr Melissa Fernández Arrigoitia,
Research Fellow, LSE (2015)

9. Cohousing

9.1 Cohousing is separate, but shares some features of co-operative housing. Cohousing communities are often defined as “intentional communities” – they are created and run by their residents. Each household has a self-contained, personal and private home but residents come together to manage their community, share activities, eat together.²⁹

²⁴ Heywood, A (2016)

²⁵ <http://www.cds.coop/co-op-directory/az-listing/deptford-housing-co-operative-limited>

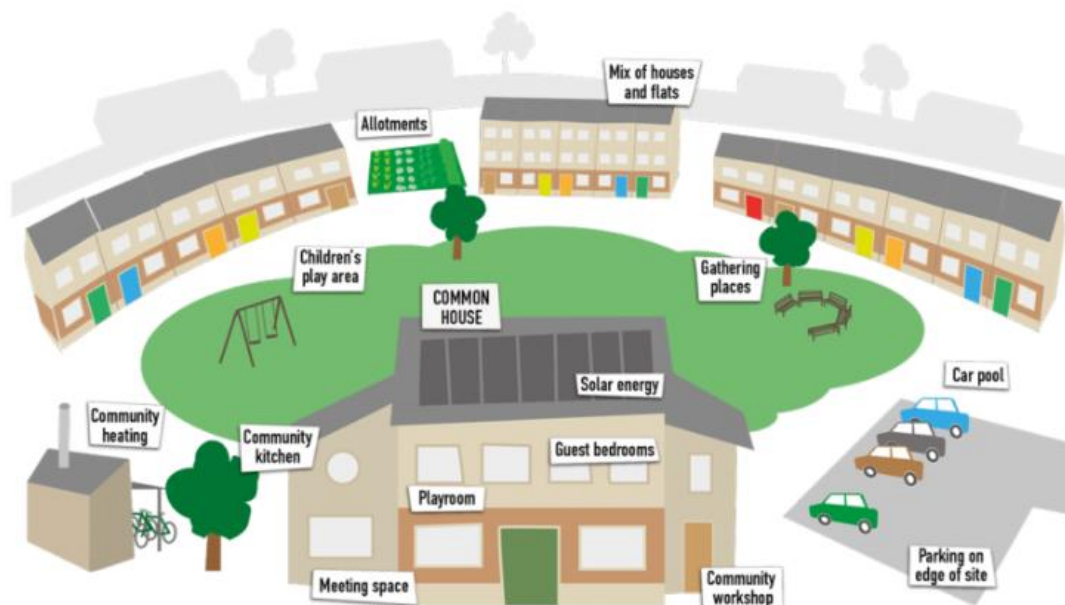
²⁶ <http://www.cds.coop/co-op-directory/az-listing/sanford-housing-co-operative-limited>

²⁷ <http://www.cds.coop/co-op-directory/az-listing/may-day-permanent-housing-co-operative-limited>

²⁸ <http://www.brockley-tenants-co-op.co.uk/page/1/about-the-co-op.html>

²⁹ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p17-8

9.2 Cohousing started to develop in the UK at the end of the 1990s. According to the UK Cohousing Network, there are now 19 completed cohousing projects in England and one in Scotland. Looking ahead, there are an estimated 231 new-build and 17 renovated homes planned for 2018-20.³⁰



10. Cohousing in Lewisham

10.1 One co-housing scheme currently in development in Lewisham is at Featherstone Lodge, Sydenham Hill. Featherstone Cohousing Ltd are developing a cohousing scheme for over-50s, converting and extending a large Victorian house. They aim to have a final decision on the site purchase in 2017, with development expected to take at least another year before residents can move in.

11. Joint venture models

11.1 Establishing a joint venture with a partner organisation is one of the options that an increasing number of local authorities are looking to in order to deliver affordable housing in difficult times. Joint ventures can provide access to new land and development opportunities and allow councils to keep control of land and assets while sharing risk.

11.2 There are a wide range of joint venture models in operation across the sector, from one-off contractual agreements to special-purpose vehicles. The structure of any particular joint venture ultimately depends on the objectives of the partners involved.

11.3 A common model is where the housing provider owns land or assets and seeks a partner to invest equity funding in the venture and to manage parts of the process, for example, constructing and selling market sale homes. Another common scenario is where a housing provider enters a joint venture to access more land opportunities –

³⁰ *ibid*

some partners may have better land-buying capability or an existing land bank, for example.

- 11.4 A current example is provided by Haringey Council's proposal to form a 50/50 partnership with a private developer to regenerate and develop council-owned land through a housing development vehicle (HDV).³¹
- 11.5 Haringey is contributing land and other assets as its equity stake and the developer will match this with their own funds. Both parties will have 50% control and individual business plans will be signed-off by the council before each piece of land is passed over to the HDV.
- 11.6 Haringey intends that social rent homes transferred like this should no longer be subject to the Right to Buy.³²
- 11.7 Hammersmith and Fulham Council have also recently signed a 50/50 joint venture deal with a property developer in order to build 133 new affordable homes. The majority will be at council-level rents and local people will be given first refusal on new homes.³³

Case study: Packington Estate, Islington

To enable this estate regeneration project, Islington Council agreed to transfer the land and existing buildings of a dilapidated estate to Hyde Housing Association, who entered a 50/50 joint venture with private construction firm Rydon. Most of the homes are for social rent, at a fraction of the rent that similar homes would cost to rent privately, and are indistinguishable from the homes for private sale.

Source: Shelter (2017)

12. Joint ventures in Lewisham

- 12.1 Lewisham Council itself has recently been seeking a joint venture partner for the Besson Street "build to rent" scheme. The council has been looking for an experienced organisation, which would bring expertise, housing management and development funding, as a partner for a 50/50 deal to develop, market and manage the scheme.
- 12.2 The scheme will create around 230 units of private rented accommodation. 65% of homes will be let at an initial market rent, with increases capped in line with inflation. 35% will be affordable homes let at a discounted rent linked to local incomes – a "living rent". The intention of the scheme is to provide secure and quality housing for local residents in employment who are not eligible for social housing, but who are also priced out of home ownership. If successful, the joint venture model could be expanded across the borough.³⁴

³¹ Haringey Council website, [Haringey Development Vehicle](#) [accessed June 2017]

³² Shelter Blog, [Can Haringey's housing development vehicle provide a case study in joint ventures?](#), February 2017

³³ Hammersmith and Fulham Council, [More than 130 genuinely affordable homes planned for Fulham](#), November 2016, LocalGov, [Council signs joint venture to deliver 'genuinely' affordable homes](#), February 2017

³⁴ Inside Housing, [Lewisham Council seeks partner for JV scheme](#), October 2016

13. Commentary on joint venture models

13.1 Joint venture approaches have received significant attention from industry experts and commentators in recent years, with many in favour of broadly similar models.

13.2 Shelter, for example, in their report, *New Civic Housebuilding: A better way to build the homes we need* advocated an “equity partnership” approach. This approach would see landowners invest their land as equity into partnerships to deliver long-term revenues and high-quality, locally affordable housing schemes – rather than being sold for the highest price.³⁵

13.3 Partnerships would typically include the major landowner, a source of “patient finance” and a coordinating body, with each acquiring equity in a single corporate body. The report said that these new partnerships relied on land entering the scheme at a predictable and lower value, and recommended that the public sector lead by example by using its land to support high quality development and affordable housing.³⁶ Given the lower risks provided by securing land at lower prices, the report also recommended that longer-term, lower cost sources of “patient” finance (like pension funds) could also be attracted to such partnerships.³⁷

13.4 The final report of the London Housing Commission, *Building a New Deal for London* (March 2016) also commented on the possibility of using joint ventures to deliver more homes across all tenures in London.³⁸

13.5 The report observed that, as major landowners, landlords and planners, local authorities are well placed to deliver significant numbers of new homes, and recommended (like Shelter) that borough-owned land should be brought forward through joint-venture partnerships, with housing associations or private developers, to develop affordable and market housing.³⁹ The public landowner would keep either an equity stake or some portion of the rental income from the development.⁴⁰

13.6 The final report of the Local Government Association Housing Commission, *Building our homes, communities and future* (December 2016) also supported the option of joint ventures. The report said that there is no “one size fits all” approach, as demonstrated by the range of examples sent in as evidence by councils, but recommended that local and national government work together to develop routes for



³⁵ Shelter, *New Civic Housebuilding*, March 2017, p87

³⁶ *ibid*, p67

³⁷ *ibid*, p69

³⁸ IPPR London Housing Commission, *Final report: Building a new deal for London*, March 2016

³⁹ *ibid*, p77

⁴⁰ *ibid*, p23

councils to directly deliver new homes of all tenures through innovative delivery vehicles, including joint delivery vehicles.⁴¹

- 13.7 The Centre for London, in their recent report, *Strength in Numbers: Funding and Building More Affordable Housing in London* (March 2017) as well as discussing joint ventures between boroughs and private developers, also highlighted the potential for cross-borough collaboration between local authorities. The report noted that the difference in land value between in inner and outer London means that some boroughs lack land which they can afford to develop, while others have land available but lack public funding.⁴²
- 13.8 The report recommended that the government should give local authorities explicit permission to spend commuted sums on affordable housing outside of borough boundaries, with boroughs co-commissioning a single developer.⁴³ The report argued that this approach could deliver up to five times more affordable homes, and noted that most local authority housing officers they spoke to expressed enthusiasm for greater collaboration between boroughs.⁴⁴

14. Meeting the criteria for a review

A review into housing delivery models meets the criteria for a scrutiny review because:

- The issue affects a number of people living, working and studying in Lewisham
- The issue is strategic and significant
- This issue is of concern to partners, stakeholders and the community
- Scrutiny is likely to add value – Lewisham Council are currently working on a number of different housing delivery models across the borough so this would be a good time for the committee to review what's happened so far and consider the next steps.

15. Key lines of enquiry

- 15.1 **Consider the different models for delivering new housing in operation in Lewisham.** The key characteristics of each, the number of new homes being provided, within what timeframe, at what cost, and with which partners? In particular, how many affordable homes are they to provide, and which types. What are the anticipated next steps for each model?
- 15.2 **Consider the advantages and disadvantages of each model for Lewisham,** in the short, medium and long-term, in terms of speed, cost, scale, quality, affordability, and the needs of Lewisham residents. And gather evidence about other models that could be of interest to Lewisham.
- 15.3 **Consider the scope for further community-led models,** looking at, among other things, scalability, costs and local demand. **Also consider scope for different models of joint venture,** looking at, among other things, land and assets available and possible partners to council could work with – public and private.

⁴¹ LGA Housing Commission, *Building our homes, communities and future*, December 2016, p22

⁴² Centre for London, *Strength in Numbers: Funding and Building More Affordable Housing in London*, March 2017, pp18-21

⁴³ *ibid*, p36

⁴⁴ *ibid*, p41

- 15.4 **Consider how the council might work with partners in the future** to ensure that good levels of affordable housing are achieved, taking into account, among other things, speed, costs, and tenure mix.
- 15.5 **Consider the necessary involvement from the council for different models**, in the short, medium and long term. What help and support can and should the council provide in terms of, among other things, guidance, coordination and management, and funding and investment? Does the council have the capacity and necessary expertise?

16. Timetable and potential witnesses

First evidence session – 5 July 2017

Council officers, RUSS, Lewisham Citizens, Deptford co-op, Brockley co-op, London Community Land Trust, National Community Land Trust Network.

Second evidence session – 6 September 2017

Council officers, other local authorities with experience of joint ventures (Newham, Croydon, Barking and Dagenham, Haringey), Shelter, LGA.

Report – 9 November 2017

Committee to consider final report presenting the evidence and agree recommendations for submission to Mayor and Cabinet.

17. 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 as necessary.

For further information please contact John Bardens, Scrutiny Manager, on 02083149976 or email john.bardens@lewisham.gov.uk,

This page is intentionally left blank

Housing Select Committee			
Report Title	Lewisham Future Programme 2018/19 Revenue Budget Savings Report		
Key Decision	No	Item No.	5
Ward	All Wards		
Contributors	Executive Director for Resources & Regeneration		
Class	Part 1	Date:	9 November 2017

Lateness: This report was not available for the original dispatch because officers needed additional time to complete their review of possible savings.

Urgency: The report is urgent and cannot wait until the next meeting of the Mayor & Cabinet to enable any savings decisions to be implemented promptly to achieve a full year effect and influence the preparation of the budget report for Mayor and Cabinet on the 7 February 2018.

Where a report is received less than 5 clear days before the date of the meeting at which the matter is being considered, then under the Local Government Act 1972 Section 100(b)(4) the Chair of the Committee can take the matter as a matter of urgency if he is satisfied that there are special circumstances requiring it to be treated as a matter of urgency. These special circumstances have to be specified in the minutes of the meeting.

1. PURPOSE

- 1.1. To set out the officer revenue budget savings proposals to be considered by Scrutiny, and need to be approved as part of the preparation of a balanced budget for 2018/19.

2. EXECUTIVE SUMMARY

- 2.1. The Council's net General Fund budget for 2017/18 is £232.7m. This is based on using reserves for the fourth consecutive year to balance the budget and follows three years of Directorates overspending, in part due to the delivery of savings becoming harder. The current Directorate projections for 2017/18 are for an overspend of over £13m, of which £7m relates to previously agreed but as yet unachieved savings.
- 2.2. To put the Council's finances on a sustainable footing, the Medium Term Financial Strategy identifies the need for £33m of ongoing savings in the two years to 2019/22 - £22m in 2018/19 and £11m in 2019/20. This is on top of the need to address the persistent in-year overspend in Directorate budgets.

- 2.3. The MTF5 anticipates that post 2020 approximately £10m per year of savings will be required. These savings projections remains an estimate pending confirmation of any policy, funding, or wider implications from the Chancellor of the Exchequer's Autumn Budget in November and Local Government Finance Settlement announcement in December. And the next Comprehensive Spending Review (CSR), expected in 2020.
- 2.4. From 2010 to 2020 this will bring the total savings made and required to £193m, of which £160m have been agreed with £153m delivered and £7m in the forecast overspend. This report concentrates on the £40m - £7m to be delivered (agreed and part of the 2017/18 budget) and the £33m to be identified (£22m in 2018/19 and £11m in 2019/20).
- 2.5. Through the Lewisham Future Programme approach officers have worked hard to identify possible new savings proposals towards meeting these savings targets. In so doing, targets by work strand have been set on a differential basis to protect front-line services where possible.
- 2.6. The detail presented in this report identifies potential savings proposals from officers of £4.85m. By work strand these are:

Savings proposals for 2018/19	Prev. agreed	New proposals	Total	Target	Gap
	£'000	£'000	£'000	£'000	£'000
A - Smarter & deeper integration of social care & health	300		300	6,100	-5,800
B - Supporting People		70	70	0	70
D – Efficiency Review		1,000	1,000	0	1,000
E - Asset rationalisation		500	500	4,400	-3,900
I - Management & corporate overhead		1,290	1,290	3,300	-2,010
J - School effectiveness		360	360	600	-240
K - Drugs & alcohol		30	30	0	30
L- Culture & community services	130		130	1,000	-870
M - Strategic housing		250	250	600	-350
N Environment services			0	2,300	-2,300
O - Public Services		500	500	1,400	-900
P - Planning & economic development		270	270	600	-330
Q - Early intervention & safeguarding	150		150	1,700	-1,550
Proposals	580	4,270	4,850	22,000	-17,150

- 2.7. Proformas are provided for the new savings for 2018/19 and are appended to this report.
- 2.8. At this stage, if all these savings proposals are agreed and there are no surprises from the local government finance settlement in December, the Council's budget for 2018/19 would need to be set using £17.15m of reserves. By not overstating the level of possible savings at this stage this will hopefully give services the time to address the 2017/18 overspends and consolidate and extend the service changes already in train.
- 2.9. Overall the strategic direction for services in terms of the Lewisham Future Programme and Lewisham 2020 themes remains sound. Management focus is on:
- Catching up and delivering unachieved savings from 2017/18 and taking management action to bring overspends back in-line with budgets;
 - Continuing the work to manage demand, improve service effectiveness and efficiency, and generate income to bring the return for this work through the financial monitoring in 2018/19; and
 - Work on bringing forward further proposals to close this gap as soon as possible, including through 2018/19 so that part year effects can be taken.
- 2.10. Finally, the report notes that the Public Health savings are being made separate and there is over £15m of current expenditure in areas where there is discretion but no proposals at present. This spend will be kept under review as part of the work outlined above.

3. RECOMMENDATIONS

- 3.1. The scrutiny committees are asked to:
- 3.1.1. Note the progress with identifying savings, the £17m shortfall against the target for 2018/19, and the implications for the use of reserves.
- 3.1.2. Review the new savings proposals presented in Section 9 and Appendices i to xii, totalling £4.3m and referenced: B4; D2; E8; I12, 13, 14, & 15; J3; K5; M8; O5; and P3.
- 3.1.3. Note the previously agreed savings for 2018/19 in Section 11, totalling £0.6m and referenced: A19; L8; and Q6 & 7.
- 3.1.4. Note the update on progress in relation to Public Health savings in Section 12.
- 3.1.5. Make any recommendations to the Public Accounts Select Committee for referral to Mayor & Cabinet.

4. STRUCTURE OF THE REPORT

4.1. The report is structured into the following sections with supporting Appendices.

Section	Title
1	Purpose of the report
2	Executive summary
3	Recommendations
4	Structure of the report
5	Financial Context
6	Lewisham Future Programme Approach
7	Principles
8	Lewisham 2020
9	Savings
10	Other Areas
11	Previously Agreed Savings
12	Public Health Savings Update
13	Timetable
14	Financial implications
15	Legal implications
16	Conclusion
17	Background documents
	Appendices

5. FINANCIAL CONTEXT

5.1. The Council has a net General Fund budget for the current financial year, 2017/18, of £232.7m. The schools Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) are discrete and so do not form part of this savings report.

5.2. In addition, the Council receives and spends other income and grants for General Fund services which are budgeted for on a net nil basis – i.e. expenditure matches the level of income. These include: Public Health, Better Care Fund & improved Better Care Fund, fees and charges; and various grants for areas such as troubled families and homelessness. Any overspend in these areas has to be met from other resources in the General Fund.

- 5.3. In 2016/17 the Council ended the financial year with a Directorate overspend position of £9m with the largest pressures being in the areas of Children's Social Care, Joint Commissioning, Adult Social Care, and Environment. These pressures arise from a combination of the:
- Impact of government policy changes;
 - Market developments and responses to inspection findings;
 - Demand pressures as the population of Lewisham grows; and
 - Difficulties in delivering agreed savings with the full financial impact.
- 5.4. The 2017/18 budget is under pressure from the need to deliver services within the available level of financial resource and identify further savings. The 2017/18 budget was set using £5m of reserves as insufficient savings were agreed. This savings shortfall is carried forward and forms part of the £22m target for 2018/19. Furthermore, Directorates are currently forecasting an end of year overspend in the region of £13m, including £7m of as yet unachieved savings. Any overspend also has to be met from the use of the Council's once-off reserves and provisions.
- 5.5. In the eight years between 2010/11 and 2017/18 the Council has agreed savings of £160m of which £153m have been delivered and £7m form part of the forecast overspend for 2017/18 as noted above.
- 5.6. In July 2017, the Council's Medium Term Financial Strategy (MTFS) was presented to members. This referenced a number of risks, the likelihood and impacts of which remain uncertain. The main risks are in the areas of:
- government policy and funding changes;
 - development and changes for London via the devolution agenda;
 - employment and business prospects impacting the local tax take; and
 - demographic change and the wider social implications resulting from the above.
- 5.7. For 2018/19 and beyond, to put the Council's finances on a sustainable footing, the MTFS identifies the need for £33m of ongoing savings in the two years to 2019/20 – split £22m in 2018/19 and £11m in 2019/20.
- 5.8. The MTFS also anticipates that post 2020 approximately £10m per year of savings will be required. These longer dated savings projections remain uncertain pending confirmation of any policy, funding, or wider economic changes. These estimates will be revisited for any implications from the Chancellor of the Exchequer's Autumn Budget in November and Local Government Finance Settlement announcement in December. And, looking further ahead, for the next Comprehensive Spending Review (CSR) expected in 2020.

6. LEWISHAM FUTURE PROGRAMME APPROACH

- 6.1. The Lewisham Future programme is the Council's approach to making the transformational changes necessary to reposition itself strongly for the future

while living within the financial resources at its disposal. It is guided by the Council's enduring values and Corporate Savings Principles agreed in 2010 (see Appendix x), the elected administration's manifesto commitments, and its emerging political priorities for the savings.

- 6.2. The Council continues to approach the task of identifying savings around the thematic and service areas agreed in the Programme. This involves looking at the anticipated savings required for the five years to 22/23, considering the finances available, growth and other pressures on Council services, and other wider social and economic risks and opportunities. The MTFs identifies a base line savings requirement of £52m over the next five years, equivalent to a reduction of 22% from the 2017/18 net General Fund budget of £232m.
- 6.3. Given the level of uncertainty noted in the financial context above, targets by work strand have only been set for the next two years, to 2019/20. These total £33m and will take the Council to the end of the current four year settlement from Government to 2019/20. As in previous years, the Lewisham Future Programme continues to try and protect front line services where possible and fairly reflect what has been delivered to date.

Work strand and savings target as % of net General Fund budget		£m
A	Smarter & deeper integration of social care & health	-9.2
B	Supporting people	-0.0
D	Efficiency	-0.0
E	Asset rationalisation	-6.6
H	Enforcement & regulation	-0.0
I	Management & corporate overheads	-4.9
J	School effectiveness	-0.9
K	Crime reduction	-0.0
L	Culture & community services	-1.5
M	Housing strategy & non-HRA services	-0.9
N	Environmental services	-3.4
O	Public services	-2.1
P	Planning & economic development	-0.9
Q	Safeguarding & early intervention services	-2.6
	Total	-33.0

- 6.4. As for 2017/18 the cross cutting work strands C, F & G have not been set targets. These areas, include business and customer transformation, shared services, and income generation. This is to avoid duplicate work and the risk of double counting. This does not mean work in these areas stops, indeed these areas are the focus of the Lewisham 2020 approach set by members (see below).
- 6.5. Savings identified by these enabling approaches will be tracked but with the main financial monitoring continuing via the service budgets. This is to ensure that the Council has a direct view and understanding of where savings are

being taken from budgets and that the responsible budget holders are clear on the budgets they have and are responsible for managing within

- 6.6. The focus of the savings has to be on the net General Fund budget as this is the subject of the statutory requirement for the Council to set a balanced budget. However, in respect of the Lewisham 2020 transformation enablers it is also important to look at the full (gross) scale of activity to effectively change operational models and culture through different ways of working. This further highlights where the scale of the Council's activity is and where there are more opportunities to re-shape, rather than stop services, while delivering the savings required.

7. PRINCIPLES

- 7.1. As noted above, the proposals are presented by Lewisham Future Programme thematic work strand. They have been developed with regard to the nine savings principles defined by the Council to take a one Council view (avoid cost shunting), build for sustainable options where possible, and be equitable by putting the customer first (see Appendix x).
- 7.2. Savings are presented in the context of the budget and scope of the service areas in each work strand. The savings are presented as (although not in this order): 1) those proposals officers are progressing, 2) those proposals which need further member input and decisions to progress, and 3) those areas under review but further work is required before savings can be proposed with certainty.
- 7.3. To facilitate tracking of the individual proposals, as was done last year, the referencing used by Lewisham Future Programme work strand is the same and the numbering continues on from the 2017/18 proposals.

8. LEWISHAM 2020

- 8.1. The savings proposals will also be assessed through the lens of the enabling approaches, set out in the Lewisham 2020 strategy, to help with monitoring how the savings and service changes are delivered.
- 8.2. The Lewisham 2020 themes are:
- Creating the conditions where communities will be able to support themselves;
 - Actively exploring all opportunities to share services;
 - Digitising our services and our interactions with residents (to help simplify and manage demand); and
 - Developing entrepreneurial approaches to income generation, particularly in relation to assets.

8.3. The table below summarises examples of savings made to date and proposed (as set out in this report) by Lewisham 2020 transformation theme.

Transformation theme	Examples - proposed
Communities supporting themselves	<ul style="list-style-type: none"> • None at this time
Sharing Services	<ul style="list-style-type: none"> • None at this time
Digitising services	<ul style="list-style-type: none"> • Implementing enterprise resource planning system for finance, HR & payroll processes
Managing demand	<ul style="list-style-type: none"> • Offering better housing solutions for those in temporary accommodation
Income generation	<ul style="list-style-type: none"> • Improve accuracy of single person discount claims • Planning Services

8.4. In addition to the approaches noted above, the level of savings required continues to require work on cost control in all areas (e.g. use of agency staff, contract management, etc.) and an acceptance of more service and financial risk through leaner corporate governance, risk and control arrangements.

9. SAVINGS

9.1. The £4m of savings presented in overview in this section all relate to the savings required of £22m in 2018/19. The £0.6m of previously agreed savings for 2018/19 that also contribute to this target are recapped in Section 11 below.

9.2. As there is a substantial gap in the level of savings proposed against the target required for 2018/19, the current financial position and ongoing work is also presented by work strand.

A Smarter & deeper integration of social care & health

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
112.9	-44.3	68.6	-6.1

Scope

9.3. The largest part of this area’s spend relates to the delivery of Adult Social Care services, which offer a range of care and support services to help frail, disabled and other vulnerable adults to remain independent, active and safe.

Support is provided in their own homes, in a community setting or in a care home. Also important to the success of this area is the work with partners on shaping local health services and support for the health of the local population.

- 9.4. This work strand now excludes changes to Public Health funding (including early years health visiting) as the ongoing annual reductions of this grant to 2019/20 are being managed separately to keep spending in line with available grant (see Section 12 below).
- 9.5. The gross level of expenditure reflects the level of annual Better Care Fund and improved Better Care Fund monies, income from self-funding clients, and other grants for these services. The net budget includes the contribution from the Adult Social Care precept raised as part of the Council Tax which is meeting the above inflationary rises to the London Living Wage.
- 9.6. The Adult Social Care Precept (ASCP) was levied in 2016/17 at 2% on Council Tax and in 2017/18 at 3%. Going into 2018/19 this has added £4.6m to the service budget. As part of the four year settlement with Government to 2019/20 the Council can levy a further 3% on Council Tax for the ASCP. The MTFs assumes this will be done by 1% on 2018/19 and 2% in 2019/20.

Savings

- 9.7. In 2017/18 the service is forecasting an overspend of £1m which includes unachieved savings of £3m which have slipped.
- 9.8. Work continues to deliver these savings as planned. The savings are dependent on delivery of the extra care housing schemes, effective care planning, managing commissioning and market stability, and service reorganisations to take advantage of the systems upgrade and digital transformation work currently underway.
- 9.9. This service area is very dependent of the good working relationships with partners and there is a lot of potential change in respect of the integration of health and care governance, financing and operational arrangements, both locally and at the south east London regional level. This complicates planning.
- 9.10. No new savings are proposed at this time as the work still in progress needs to be concluded and the impact evaluated to avoid any unintended consequences. This leaves a savings gap for 2018/19 of £6.1m for this workstrand.

B – Supporting People

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
17.6	-8.2	9.4	-0.0

Scope

- 9.11. The service is focused on supporting those vulnerable people who are working to overcome addiction, the impact of violence or mental health issues to help them get back into main stream support.

Savings

- 9.12. This service are is current forecasting a balanced budget for 2017/18.
- 9.13. No further savings target has been set for this area in 2018/19 following the re-procurement of contracts in recent years. This will be kept under review. Nonetheless the service is proposing one saving for £70k in respect of service rental income.

Risks

- 9.14. The risk of taking this approach is felt to be minimal at 1% of the budget.

Summary

- 9.15. The potential saving for work strand B – is:

D – Efficiency Review	18/19 £'000	Key decision	Public consultation	Staff consultation
B4 – Service economy rental income	70	N	N	N

- 9.16. Please see appendix i for the saving proforma B4.

D Efficiency Review

Budget

- 9.17. No specific budget applies to this work strand and as such no savings target has been attributed. However, as set out in the MTFs, allowance is made in the financial modelling for the budget for annual inflationary increases. For 2018/19 these are £1.1m for pay and £2.6m for non-pay expenditure.

Savings

9.18. For the past four years the allocation of inflation has been reduced by £2.5m annually as a general cost control measure. It is now proposed to reduce the levels of inflationary growth allocated to services by £1.0m when setting the base budgets for 2018/19.

Risks

9.19. The risk to achieving this saving is that services will not be able to contain their expenditure within the tighter limits, either on staffing costs (including agency spend) or contract expenditure, resulting in an overspend.

Summary

9.20. The potential saving for work strand D – is:

D – Efficiency Review	18/19 £'000	Key decision	Public consultation	Staff consultation
D2 – reduction in allocated inflation	1,000	Y	N	N

9.21. Please see appendix i for the saving proforma D2.

E Asset rationalisation

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
47.7	-40.4	7.3	-4.4

Scope

9.22. This service works to renew the physical fabric of the borough sustainably and to enhance the overall well-being of Lewisham as a place. This is managed through programme management capital delivery, school place expansion programme, town centre regeneration, asset strategy, contract management, maintenance of the corporate estate (including investment assets), and transport (including highways improvement and lighting).

Savings

- 9.23. This service are is forecasting an overspend of £0.6m for 2017/18, mainly due to shortfalls income from utilities companies for licensed work and advertising income.
- 9.24. While not delivered exactly as profiled, the service has delivered the budget reductions agreed as savings in previous years. Given the scale of the Council’s assets and landlord commitments, any significant future savings will need to come as income from development rather than cost reduction. By its nature such development is complex and takes time, many years, to bring forward.
- 9.25. As part of this work is ongoing to bring forward Private Rented Scheme (PRS) development options as a means to generating additional income for the Council while also providing additional housing stock in the Borough.
- 9.26. **E8** – Establishment of Joint Venture to develop Besson Street PRS - £0.5m
 - Subject to the Mayor and Cabinet decision on the Besson Street procurement in December 2017, it is anticipated that the value realised from the proposed partnership will start to accrue from 2018/19.

Risks

- 9.27. The risks and challenges to achieving these savings will be the ability to appraise, design, procure, partner and deliver developments at pace and in line with the Council’s, often competing, financial, economic development, planning and social objectives.

Summary

- 9.28. The potential saving for work strand E – is:

E – Asset Rationalisation	18/19 £’000	Key decision	Public consultation	Staff consultation
E8 – income from PRS joint venture for Besson St.	500	Y	N	N

- 9.29. Please see appendix ii for the saving proforma E8. This leaves a savings gap for 2018/19 of £3.9m for this work strand.

H Enforcement & regulation

- 9.30. No savings target has been set for this area following the major reorganisation and change of approach to an intelligence led and targeted response service. Some aspects of this service, in particular food standards, are subject to

external inspection and the approach now in place is proven but with concerns noted for any further reductions. The service performance is being monitored before further risks and savings are considered.

I Management & corporate overheads

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
22.4	-5.7	16.7	-3.3

Scope

- 9.31. The services included within this work strand include the corporate and democratic core, the cost of members and senior management, and the corporate administrative services that help coordinate and support the externally focused work in Directorates. These services include: Human Resources; Legal and Electoral Services; Corporate Resources; Finance; Policy, Performance and Governance; and Strategy.

Savings

- 9.32. Most of these services are spending to budget in 2017/18. The main exception is Information Technology where an overspend of £1.2m is forecast. This has arisen due to: 1) the higher than expected costs to complete the digital upgrade work as part of making Lewisham's technology fit for purpose going into the shared service with the London Borough of Brent; and 2) lower than expected savings from the expansion of the shared service to include other partners, most recently the London Borough of Southwark.
- 9.33. From this starting point, the four savings proposed in this work strand continue the rigorous focus on tightening up procedures to increase productivity and realise further efficiencies. They are:
- 9.34. **I12** – Administration budget cut - £0.02m
- Further reduce the administrative budget to support senior management
- 9.35. **I13** – More efficient and effective finance processes - £0.2m
- Following the move to Oracle Cloud as part of the 'Invest to Save' work to implement an Enterprise Resource Planning (ERP) system, revisit the finance operating model and procedures to streamline processes.
- 9.36. **I14** – Loss of the Police Officer secondment - £0.07m
- In 2017/18 the Police Officer secondment programme was ended by the Metropolitan Police Service.
- 9.37. **I15** – Review of accounting policies in respect of the balance sheet - £1.0m

- As part of the Treasury Management Strategy review the Council's Minimum Revenue Provision policy and re-evaluate the appropriate levels required in line with current asset valuations to remain prudent.

Risks

9.38. The risks and challenges to achieving these savings will be to ensure Council business is covered satisfactorily, undue risk and cost shunts do not arise, and statutory obligations continue to be met in full. These risks remain particularly acute in the area of management and corporate overheads as the Council has emphasised savings from these corporate support functions and their related activities in services (e.g. local finance, technology and business support activities) to protect front line services to citizens.

Summary

9.39. The savings being proposed for work strand I – are:

I – Management & corporate overheads	18/19 £'000	Key decision	Public consultation	Staff consultation
I12 – Administration budget cut	20	N	N	N
I13 – More efficient and effective finance processes	200	N	N	Y
I14 – Loss of the Police Officer secondment	70	N	N	N
I15 – Review of accounting policies in respect of the balance sheet	1,000	Y	N	N

9.40. Please see appendix iii to vi for the saving proforma proposals I12 to I15. This leaves a savings gap for 2018/19 of £2.0m for this work strand.

J School effectiveness

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
2.6	-1.1	1.5	-0.6

Scope

9.41. The Service includes all functions related to raising standards of achievement in schools; governors; elective home education; the Attendance and Welfare service; improving schools' and settings' capacity to meet the needs and raise

standards for all children. The Service also includes Looked After Children education, Not in Education or Employment Training (NEET) reduction, a traded HR service for schools and places planning and delivery of those places across early years, mainstream school places and Special Education Needs (SEN) places.

Savings

- 9.42. The service is currently spending to budget. While it is not anticipated that the Council's statutory duties for schools, and particularly safeguarding within them, will be removed schools funding is to be channelled to them directly. This is likely to change the relationship and level of engagement the Council has with schools and the related costs or recharges appropriate for the Council's work with schools in future.
- 9.43. The savings proposed for this are:
- 9.44. **J3** – Statutory functions for school effectiveness - £0.36m
- The Department for Education (DfE) has moved the grant supporting statutory education services to the schools.

Risks

- 9.45. The risks to this service include the demographic pressures with a growing number of children and young people in London, a rising level of need for additional support in schools with a high level of pupils eligible for free school meals, and the national funding formula changes which is putting cost pressures on Lewisham schools.

Summary

- 9.46. The savings being proposed for work strand J – are:

J – School Effectiveness	18/19 £'000	Key decision	Public consultation	Staff consultation
J3 – Statutory functions for school effectiveness	360	?	?	?

- 9.47. Please see appendix vii for the saving proforma for proposal J3. This leaves a savings gap for 2018/19 of £0.24m for this work strand.

K Crime reduction

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
3.1	-1.2	2.9	-0.0

Scope

- 9.48. The service is focused on Crime reduction, safer neighbourhood initiatives and CCTV. Supporting children and young people who are involved in or are the victims of crime.

Savings

- 9.49. No savings target has been set for this area as it is now almost entirely covered by the overlap with decisions on public health spending and reliance on London Mayoral funding. Overall the service is on budget but experiencing some pressures from Youth Justice and Remand costs.
- 9.50. However, a saving for £30k is proposed to reduce the allocated resource to support problem solving processes which could require small amounts of resources to deliver and tackle problems identified throughout the year.

Risks

- 9.51. The risk of taking this approach will be slower and less flexible response from the Council impacting users and partners.

Summary

- 9.52. The potential saving for work strand K – is:

K – Crime Reduction	18/19 £'000	Key decision	Public consultation	Staff consultation
K5 – Reduce budget for problem solving support	30	N	N	N

- 9.53. Please see appendix **i** for the saving proforma K5.

L Culture & community services

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
16.5	-7.2	9.3	-1.0

Scope

- 9.54. The service area is responsible for libraries, arts and entertainment, adult education, community/neighbourhood development (including grants programme) and leisure, sports and recreation activities.

Savings

- 9.55. The service is on budget for 2017/18 with a previously agreed saving for 2018/19 – see Section 11 below. The majority of services here fall into those described in Section 10 below and no savings are proposed at this time.
- 9.56. This leaves a savings gap for 2018/19 of £1.4m for this work strand.

M Housing strategy & non-HRA services

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
26.5	-20.9	5.6	-0.6

Scope

- 9.57. This division includes the following service areas: housing strategy and programmes; housing needs (including housing options and homesearch); and private sector housing agency.

Savings

- 9.58. The service is on budget for 2017/18 but with some variations in spending by area as welfare reforms impact and housing developments come on stream. The saving proposed is:
- 9.59. **M8** - Reduced costs of providing nightly paid accommodation - £0.25m
- This will be achieved by focusing on demand, cost, and developing more suitable alternative accommodation.

Risks

- 9.60. The risks and challenges to achieving these savings are to address current pressures on No Recourse to Public Funds, Temporary Accommodation and

an income shortfall on private sector leasing services while also delivering savings.

Summary

9.61. The savings being proposed for work strand M – are:

M – Housing strategy and non HRA services	18/19 £'000	Key decision	Public consultation	Staff consultation
M8 – Reduced costs of providing nightly paid accommodation	250	N	N	N

9.62. Please see appendix viii for the saving proforma for proposal M8. This leaves a savings gap for 2018/19 of £0.3m for this work strand.

N Environmental services

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
35.9	-17.5	18.5	-2.3

Scope

9.63. This division includes the following service areas: waste management (refuse and recycling); cleansing (street sweeping); Green Scene (parks and open spaces); fleet and passenger services; bereavement services, and markets.

Savings

9.64. The service is forecasting an overspend of £2m in 2017/18. This is due to unachieved savings due to the delayed implementation of savings in respect of service changes and anticipated income streams, and rising contract and waste disposal costs.

9.65. A review of shared service options for refuse collection and the depot is underway but these are longer dated to deliver. An added complexity is that the Wearside depot site may be impacted by the Bakerloo Line extension. Transport for London (TfL) recently consulted on proposals for a ventilation and access shaft on the north eastern part of the Wearside depot site, together with a wider piece of land around this shaft for a works site. TfL are also proposing that overrun tunnels, which provide parking for trains that

are not in operation, be located underneath this portion of the depot site. These tunnels may assist in the potential second phase of the Bakerloo Line extension from Lewisham to Hayes. This could have an impact on the future use of the site.

- 9.66. The focus is on delivering these previously agreed savings and exploring the potential future strategic options for the service. No new savings are proposed at this time. This leaves a savings gap for 2018/19 of £2.3m for this service.

O Public services

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
14.7	-2.4	12.3	-1.4

Scope

- 9.67. This division provides the ‘front door’ to a wide range of services across the Council. This includes the Customer Contact Centre; Registration; Revenues; Benefits; Business Support; Emergency Planning; and Parking Management services.

Savings

- 9.68. The service is currently overspending by £1m in 2017/18 mainly due to income shortfalls, cost of collection, and adjusting to less administration grant while also implementing Universal Credit. It is anticipate that management actions already in train will correct this position by 2018/19.
- 9.69. Management is working on extending these efficiencies through further automation of online forms to support channel shift, changing customer engagement and practices, and improving debt collection practices.
- 9.70. The saving proposed for 2018/19 relates to debt collection and is:
- 9.71. **O5** – Council tax single person discount review - £0.5m
- Following a more detailed data matching exercise on those claiming this discount it is expected that more Council Tax will now be collected.

Risks

- 9.72. The general risks and challenges to achieving savings in this area are the ability to communicate and change user expectations and the routes to

engaging with the Council. This should also improve compliance and limit the opportunities for customers to incorrectly present their circumstances

Summary

9.73. The saving being proposed for work strand O – is:

O – Public Services	18/19 £'000	Key decision	Public consultation	Staff consultation
O5 – Council tax single person discount review	500	N	N	N

9.74. Please see appendix viii for the saving proforma for proposal O9. This leaves a savings gap for 2018/19 of £0.9m for this work strand.

P Planning & economic development

Budget

2016/17 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
2.6	-1.6	1.0	-0.6

Scope

9.75. This division provides employment and business support for local businesses or those seeking to invest in Lewisham; maintenance of the local economic assessment; strategic leadership on business employment and the EU. Development and the use of land in the long term public interest are achieved through a positive and proactive approach to shaping, considering, determining, and delivering development proposals.

Savings

9.76. The service is currently forecasting a small underspend for 2017/18 due to slightly higher than anticipated income. As housing and planning policies continue to change and developments in Lewisham mature it is anticipated that the service will be able to generate more income.

9.77. The proposal is for the service to target additional income of £270k in 2018/19.

Risks

- 9.78. The risks and challenges to achieving these savings are tied to the performance of the London economy and the related demand for planning services that result.
- 9.79. Please see appendix xii for the saving proforma for proposal K5. This leaves a savings gap for 2018/19 of £0.3m for this workstrand.

Q Safeguarding & early intervention services

Budget

2017/18 Budget book			Savings target for 2018/19 £m
Gross Exp. £m	Income £m	Net Gen. Fund Exp. £m	
38.5	-0.8	37.7	-1.7

Scope

- 9.80. This work strand covers all Children’s Social Care functions, including early intervention services such as Children’s Centres and Targeted Family Support. The service works with children who need to be looked after and safeguarded from harm.
- 9.81. The work strand also includes the services to individual children with complex needs; those with special educational needs; the youth service; and the youth offending service and health care commissioning for children and young people.

Savings

- Overspending by £7.5m across children social care by £5.6m and targeted services/early intervention by £1.9m
 - Some £1m of undelivered savings and savings strategy focused on strengthened MASH arrangements and more local fostering options
- 9.82. In 2017/18 the service is forecasting an overspend of £7.5m which includes unachieved savings of £1m which have slipped. Overspending on these services is a recognised pressure for councils nationally.
- 9.83. The bulk of the overspend reflects higher than expected demand for these services which drives overspending on both staffing budgets to manage the work and through the cost of placements and support. In the long run the decisions in the MASH will help manage this demand and flow through to placements.
- 9.84. Consistent with the strategic direction established by the service following the Ofsted review in 2016/17, work is ongoing to better understand the data and

performance of current social work practices to influence decision making and the allocation of resources to help reduce reliance on agency staff and the number and the cost of placements through earlier and alternative less costly interventions where possible. This is being supported by the digital transformation work in progress to improve systems and service information.

- 9.85. No new savings are proposed at this time as the work still in progress needs to be concluded. This leaves a savings gap for 2018/19 of £1.7m for this workstrand.

10. OTHER AREAS

Discretionary spend

- 10.1. In preparing the above there is over £10m of discretionary spend which has not been put forward for further consideration at this stage.
- 10.2. These budgets are for valued services. However, with some minimum statutory obligations, they are discretionary services. So if the savings proposals presented here and to follow do not meet the level of savings necessary to set a balanced budget, then these discretionary spend areas may also need to be revisited before 2019/20.

11. PREVIOUSLY AGREED SAVINGS

- 11.1. In September 2016, the Mayor agreed savings for 2018/19. These, totalling £0.580m, are tabled below and re-presented to the Mayor for noting and re-endorsement:

Previously Agreed 2018/19 Revenue Budget Savings Proposals

Ref.	Description	2018/19 £'000
A	Smarter & deeper integration of social care & health	
A19	Workforce productivity from better technology	300
L	Culture and Community Services	
L8	Facilities management – retender of contract for Deptford Lounge	130
Q	Safeguarding and Early Intervention	
Q6	Developing alternative pathways for care – improved planning	100
Q7	Redesign of CAMHS	50
	Total	580

12. PUBLIC HEALTH

- 12.1. Following the Spending Review and Autumn Statement 2015 the Government announced further cuts to funding for public health services and a continuing of the ring fence. In 2017/18 the additional responsibility for early years health visiting was transferred to local authorities as part of the public health funding.
- 12.2. For Lewisham, while the annual reduction is less than for the general fund, there is still a requirement of for an annual 2.6% reduction, or £0.7m, per year.
- 12.3. The proposals for reducing public health spending are being managed by the Community Services Directorate under the scrutiny of the Healthier Select Committee. For 2018/19 the saving of £0.7m is expected to be largely met through the shared services work across London to align and reduce tariffs for sexual health services.

13. TIMETABLE

- 13.1. The key dates for considering this savings report via scrutiny and Mayor and Cabinet (M&C) are as follows:

Review of Savings proposals	Children & Young People	Healthier	Housing	Public Accounts	Safer Stronger	Sustainable
Select Ctte.	1 Nov	1 Nov	9 Nov	16 Nov	2 Nov	8 Nov
M&C	6 December					

- 13.2. The M&C decisions are then subject to the usual Business Panel scrutiny call in process and reconsideration at the following M&C if necessary. This report will be presented to the Overview and Scrutiny Business Panel on the 19th December 2017.
- 13.3. If required, two more savings rounds can be taken through the decision process, still with the possibility of achieving a full-year effect of savings in 2018/19. The key dates for these rounds are as follows:

Review of Savings proposals	Children & Young People	Healthier	Housing	Public Accounts	Safer Stronger	Sustainable
Select Ctte.	11 Dec	30 Nov	14 Dec	20 Dec	13 Dec	14 Dec
M&C	10 January 2018					
Select Ctte.	30 Jan	24 Jan	31 Jan	6 Feb + Budget	25 Jan	18 Jan
M&C	7 Feb + Budget					

- 13.4. The Overview and Scrutiny Business Panel for these rounds will be 23 January and 20 February respectively.
- 13.5. In addition to the above, further proposals will need to be presented for decision during 2018/19, with the possibility of achieving a partial year effect for that year and full year effect for future years.

14. FINANCIAL IMPLICATIONS

- 14.1. This report is concerned with the saving proposals to enable the Council to address the future financial challenges it faces. There are no direct financial implications arising from the report other than those stated in the report and appendices itself.

15. LEGAL IMPLICATIONS

Statutory duties

- 15.1. The Council has a variety of statutory duties which it must fulfil by law. The Council cannot lawfully decide not to carry out those duties. Even where there is a statutory duty there is often a discretion about the level of service provision. Where there is an impact on statutory duty that is identified in the report. In other instances, the Council provides services in pursuit of a statutory power, rather than a duty, and though not bound to carry out those activities, decisions about them must be taken in accordance with the decision making requirements of administrative law.

Reasonableness and proper process

- 15.2. Decisions must be made reasonably taking into account all relevant considerations and disregarding all irrelevant matters. These are particular to the service reductions proposed and are set out in the body of the report. It is also imperative that decisions are taken following proper process. Depending on the particular service concerned, this may be set down in statute, though not all legal requirements are set down in legislation. For example, depending on the service, there may be a need to consult with service users and/or others and where this is the case, any proposals in this report must remain proposals unless and until that consultation is carried out and the responses brought back in a further report for consideration with an open mind before any decision is made. Whether or not consultation is required, any decision to discontinue a service would require appropriate notice. If the Council has published a procedure for handling service reductions, there would be a legitimate expectation that such procedure will be followed.

Staffing reductions

- 15.3. If service reductions would result in redundancy, then the Council's usual redundancy and redeployment procedure would apply. If proposals would result in more than 20 but fewer than 100 redundancies in any 90 day period, there would be a requirement to consult for a period of 30 days with trade unions under Section 188 Trade Union and Labour Relations (consolidation) Act 1992. The consultation period increases to 45 days if the numbers are 100 or more. This consultation is in addition to the consultation required with the individual employees. If a proposal entails a service re-organisation, decisions in this respect will be taken by officers in accordance with the Council's re-organisation procedures.

Equalities Legislation

- 15.4. The Equality Act 2010 (the Act) introduced a public sector equality duty (the equality duty or the duty). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 15.5. 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.
- 15.6. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed in the paragraph above.
- 15.7. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 15.8. The Equality and Human Rights Commission has 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:

<https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice>

15.9. <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance>

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

- The essential guide to the public sector equality duty.
- Meeting the equality duty in policy and decision-making.
- Engagement and the equality duty: A guide for public authorities.
- Objectives and the equality duty. A guide for public authorities.
- Equality Information and the Equality Duty: A Guide for Public Authorities.

15.11. 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:
<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance#h1>

15.12. The EHRC has also issued Guidance entitled “Making Fair Financial Decisions”. <https://www.equalityhumanrights.com/en/advice-and-guidance/making-fair-financial-decisions>. It appears at Appendix ix and attention is drawn to its contents.

15.13. The equalities implications pertaining to the specific service reductions are particular to the specific reduction.

15.14. Members are reminded that the overall equalities in respect of these savings and the other scrutinised and presented to Mayor & Cabinet in September 2015 were considered through the individual proposals and overall. Appendix xi presents that information for ease of reference.

The Human Rights Act

15.15. Since the introduction of the Human Rights Act 1998 (HRA) the rights set out in the European Convention on Human Rights (ECHR) have been incorporated into UK law and can be enforced in the UK courts without recourse to the European courts.

15.16. Those articles which are particularly relevant in to public services are as follows:-

- Article 2 - the right to life
- Article 3 - the right not to be subject to inhuman or degrading treatment
- Article 5 - the right to security of the person
- Article 6 - the right to a fair trial
- Article 8 - the right to a private and family life, home and correspondence
- Article 9 - the right to freedom of thought, conscience and religion
- Article 10 - the right to freedom of expression
- Article 11 - the right to peaceful assembly
- Article 14 - the right not to be discriminated against on any ground

The first protocol to the ECHR added

- Article 1 - the right to peaceful enjoyment of property
- Article 2 - the right to education

15.17. Some of these rights are unconditional, such as the right not to be tortured or subject to degrading treatment. Others may be limited in finite and well defined circumstances (such as the right to liberty. Others are qualified and must be balanced against the need of the wider community – such as the right to a private and family life. Where there are human rights implications associated with the proposals in this report regard must be had to them before making any decision.

Crime and Disorder

15.18. Section 17 of the Crime and Disorder Act 1998 requires the Council to have regard to the likely effect on crime and disorder when it exercises its functions, and the need to do all that it reasonably can to prevent crime and disorder in its area.

Best value

15.19. The Council remains under a duty under Section 3 Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. It must have regard to this duty in making decisions in respect of this report.

Environmental implications

15.20. Section 40 Natural Environment and Rural Communities Act 2006 states that “every public authority must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions to the purpose of conserving biodiversity”. No such implications have been identified in this report.

Specific legal implications

15.21. Members’ attention is drawn to the specific legal implications arising in relation to particular proposals set out in this report in Appendices i to ix.

EQUALITIES IMPLICATIONS

15.22. Each new saving proposal reviews the potential equalities implications for those impacted. In this case, with one exception, they are all Low or Not Applicable (N/A). The assessed medium impact is in respect of the crime reduction proposal, K5. Subject to being agreed, these assessments will be kept under review as the services are implemented.

15.23. They current assessed equality implications for new proposals are as follows:

- **B4** Supporting People – Low as a 1% budget reduction
- **D2** Efficiency review – Low as applied evenly and proportionally across all areas of spend.
- **E8** Develop PRS – N/A as such schemes are in the market.
- **I12** Admin budget cut – N/A as this is not a service budget
- **I13** Finance restructure – Low and any staff change will be managed in line with the Council’s HR policy for managing change
- **I14** Police Officer – N/A as this was an external scheme that had been cancelled
- **I15** MRP review – N/A as this is a technical accounting review
- **J3** School effectiveness – N/A as this is a funding change and not a service reduction
- **K5** problem solving – Medium as, while a small saving, this limits flexibility of service and partners
- **M8** less nightly paid – Low and positive as will help people into better accommodation
- **O5** Council Tax collection – N/A as no change to the policy
- **P3** Planning income – N/A as choice to use the service is discretionary

16. CONCLUSION

16.1. The Council expects to need to make further savings between now and 2019/20 as the resources available to run services continue to be reduced and because insufficient savings have been identified to date. This is resulting in

the Council using its reserves when setting the budget. This is not sustainable as reserves are only available on a once off basis.

- 16.2. The expected amount and timing of the savings for 2018/19 and future years has been detailed above. However, the definitive position is dependent on the Autumn Budget and Local Government Finance Settlement due in November and December respectively. For these reasons the work of the Lewisham Future Programme continues.

17. BACKGROUND DOCUMENTS AND FURTHER INFORMATION

Short Title of Report	Date	Contact
Medium Term Financial Strategy http://councilmeetings.lewisham.gov.uk/documents/s51446/Medium%20Term%20Financial%20Strategy.pdf	July 2017	David Austin
Budget 2017/18 http://councilmeetings.lewisham.gov.uk/documents/s47966/2017%2018%20Budget%20Report.pdf	February 2017	David Austin

Appendices

- i. B4 – Supporting People
- ii. D2 – Efficiency review proposal
- iii. E8 - Asset rationalisation proposal
- iv. I12 - Management & corporate overhead proposal Policy & Governance
- v. I13 - Management & corporate overhead proposal Finance
- vi. I14 - Management & corporate overhead proposal Counter Fraud
- vii. I15 - Management & corporate overhead proposal Accounting review
- viii. J3 - School effectiveness proposal
- ix. K5 – Crime problem solving
- x. M8 - Strategic housing proposal
- xi. O5 – Public services proposal
- xii. P3 – Planning income
- xiii. Corporate Savings Principles
- xiv. Making Fair Financial Decisions guidance
- xv. Summary of Equalities Implications
- xvi. Summary of savings proposals

For further information on this report, please contact:

David Austin, Head of Corporate Resources on 020 8314 9114

This page is intentionally left blank

CONTENTS

Appendices

- i. B4 – Supporting People
- ii. D2 – Efficiency review proposal
- iii. E8 - Asset rationalisation proposal
- iv. I12 - Management & corporate overhead proposal Policy & Governance
- v. I13 - Management & corporate overhead proposal Finance
- vi. I14 - Management & corporate overhead proposal Counter Fraud
- vii. I15 - Management & corporate overhead proposal Accounting review
- viii. J3 - School effectiveness proposal
- ix. K5 – Crime problem solving
- x. M8 - Strategic housing proposal
- xi. O5 – Public services proposal
- xii. P3 – Planning income

Savings Proposals Appendices i to ix – October 2017

Appendix i

1. Savings proposal	
Proposal title:	Service economy rental income
Reference:	B4
LFP work strand:	Supporting People
Directorate:	Community Services
Head of Service:	Head of Public Protection and Safety
Service/Team area:	Supporting People
Cabinet portfolio:	Cabinet Member for Health, Wellbeing, and Older People
Scrutiny Ctte(s):	Healthier / Safer Stronger Select Committees

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
a) Service Economy	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
The supporting people service funds housing related support via a number of providers to clients with varying needs. These range from high-support hostels to floating support in the community. To date savings proposals have been put forward totalling £5.5m since 2013.
Saving proposal
The service receives income from rental and the savings proposal is 50% if this income. The full amount is not proposed as this is required to support the services.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
The use of the income would support provision if not used for savings.
Outline risks associated with proposal and mitigating actions:
These are minimal and any resources allocated to this area are used directly for commissioning services .

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	6,549	(1,171)	5,378	
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
a) Service Economy	70	0	0	70
Total	70	0	0	70

Savings Proposals Appendices i to ix – October 2017

5. Financial information				
% of Net Budget	1%	%	%	1%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Alignment to Lewisham 2020 priorities		
Main priority	Second priority	Lewisham 2020 priorities A. Strengthening community input B. Sharing services C. Digitisation D. Income generating E. Demand management
A	D	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium	Medium	

7. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people 9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
8	9	
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
negative	negative	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium	Medium	

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	low	Pregnancy / Maternity:	Low
Gender:	low	Marriage & Civil Partnerships:	Low
Age:	low	Sexual orientation:	Low
Disability:	low	Gender reassignment:	Low

Savings Proposals Appendices i to ix – October 2017

9. Service equalities impact			
Religion / Belief:	low	Overall:	low
For any High impact service equality areas please explain why and what mitigations are proposed:			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
No specific legal implications

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
September 2017	Proposals prepared (this template and supporting papers – e.g. draft public consultation)
October 2017	Proposals submitted to Scrutiny committees leading to M&C (despatch 24 October)
November 2016	Scrutiny meetings held with consultations ongoing
December 2017	Proposals to M&C for decision on 6 December (Despatch 29 Nov) and (full decision) reports returned to Scrutiny for review
January 2018	Transition work ongoing
February 2018	Transition work ongoing and budget set 21 February
March 2018	Savings implemented

Savings Proposals Appendices i to ix – October 2017

Appendix ii

1. Savings proposal	
Proposal title:	Corporate efficiency from unallocated inflation
Reference:	D2
LFP work strand:	Efficiency Review
Directorate:	Corporate
Head of Service:	Head of Corporate Resources
Service/Team area:	Strategic Finance
Cabinet portfolio:	Resources
Scrutiny Ctte(s):	Public Accounts Select Ctte

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
a) Corporate efficiency measure	Yes	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
This saving corporate and not related to any specific service area. It will be implemented through the annual budget process when agreed at Council in February 2018.
Saving proposal
The proposal is to not allocate £1m of the estimated £3.7m of inflation (£1.1m for pay and £2.6m for non-pay) to service budgets when setting the 2018/19 cash limits.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
The impact cannot be identified specifically as this is a general corporate saving. The impact will however be very limited as it represents a reduction of less than a half of one percent from all service budgets. Services will have to manage how best to absorb the reduction to their budget. For example; negotiate contract or agency rates, hold vacancies, limit discretionary spend during the year, etc..
Outline risks associated with proposal and mitigating actions:
The risk is that services will not contain their expenditure within their budget. This would be identified quickly through the financial monitoring and highlighted for action.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	232,700		232,700	

Savings Proposals Appendices i to ix – October 2017

5. Financial information				
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
a) Corporate efficiency from unallocated inflation	1,000			1,000
Total	1,000			
% of Net Budget	0.5%	%	%	0.5%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	No	No
If DSG, HRA, Health impact describe:				

6. Alignment to Lewisham 2020 priorities		
Main priority	Second priority	Lewisham 2020 priorities
E		A. Strengthening community input
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	B. Sharing services
Low		C. Digitisation
		D. Income generating
		E. Demand management

7. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
10		1. Community leadership and empowerment
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	2. Young people's achievement and involvement
Negative		3. Clean, green and liveable
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	4. Safety, security and a visible presence
Low		5. Strengthening the local economy
		6. Decent homes for all
		7. Protection of children
		8. Caring for adults and the older people
		9. Active, healthy citizens
		10. Inspiring efficiency, effectiveness and equity

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?
	N/A

Savings Proposals Appendices i to ix – October 2017

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:		Pregnancy / Maternity:	
Gender:		Marriage & Civil Partnerships:	
Age:		Sexual orientation:	
Disability:		Gender reassignment:	
Religion / Belief:		Overall:	N/A
For any High impact service equality areas please explain why and what mitigations are proposed:			
N/A			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
None – this saving, if agreed, will be taken as part of the Budget report to Council February 2018.

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
March 2018	Savings implemented

Savings Proposals Appendices i to ix – October 2017

Appendix iii

1. Savings proposal	
Proposal title:	Income from Private Rented Scheme (PRS) Joint Venture
Reference:	E8
LFP work strand:	Asset Rationalisation
Directorate:	Resources and Regeneration
Head of Service:	Executive Director
Service/Team area:	Regeneration & Place
Cabinet portfolio:	Regeneration
Scrutiny Ctte(s):	Housing Select Ctte

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
a) Generate rental income from PRS	Yes	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>R&P and Strategic Housing are currently procuring a Joint Venture (JV) partner from the private sector. The Council will dispose of the Besson Street site into the JV, who will build, own and operate circa 230 Private Rental Sector (PRS) units. These units will comprise of at least 35% discounted London Living Rent units and provide a GP surgery at nil cost.</p>
Saving proposal
<p>Accounting for the procurement costs, financing costs, and management costs, the net annual rental revenues paid by the JV to the Council (in the form of an investment return) will generate circa £500k of new income for the Council over a period of not less than 30 years.</p> <p>The procurement is due to conclude and a report be presented to M&C on the 6 December 2017. It is anticipated that the JV will form in March 2018, with the land transfer (and receipt) in 2018/19 after successful planning approval.</p> <p>Annual rental income will be generated from approximately 2021/22 onwards.</p>

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
<p>Positive impact on housing provision within the Borough, improved access to private rented accommodation. Increased Council Tax receipts. New, improved GP practice.</p> <p>Council staffing/management of JV needs to be considered and provided.</p>
Outline risks associated with proposal and mitigating actions:

Savings Proposals Appendices i to ix – October 2017

4. Impact and risks of proposal

Planning risk – JV appoints suitable architects and enters into a Pre-Planning Application to mitigate this

Financial risk – costs of build increase or rental levels decrease – JV competitively tenders build package and ensures that product produced can attract appropriate rental income

Partnership Risk – JV collapses – an extended public procurement exercise has been used with detailed HoTs agreed to ensure that the JV structure is robust and the most suitable partner appointed.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	16,870	(9,479)	7,391	
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
a)	500			500
Total	500			500
% of Net Budget	7%	%	%	7%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	Yes	No
If DSG, HRA, Health impact describe:			Transfer of site to GF will increase HRA headroom	

6. Alignment to Lewisham 2020 priorities

Main priority	Second priority	Lewisham 2020 priorities
D	E	A. Strengthening community input B. Sharing services C. Digitisation D. Income generating E. Demand management
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium	Medium	

7. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities
6	10	1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence
Impact on main	Impact on second	

Savings Proposals Appendices i to ix – October 2017

7. Impact on Corporate priorities		
priority – Positive / Neutral / Negative	priority – Positive / Neutral / Negative	5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people 9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
Positive	Positive	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium	Medium	

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	Yes - New homes, community space and commercial space
	If impacting one or more wards specifically – which?
	New Cross

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	N/A	Marriage & Civil Partnerships:	N/A
Age:	N/A	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	N/A
For any High impact service equality areas please explain why and what mitigations are proposed:			
N/A			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
<p>A M&C report is scheduled for the 6 December with full legal implications, including the formation of a JV and the approval to enter into this for the purpose of funding and developing the Besson Street site.</p> <p>The last M&C report was the 13 July 2016 and obtained approval to start the procurement of the JV partner.</p>

12. Summary timetable
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc.), implementation:
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.

Savings Proposals Appendices i to ix – October 2017

12. Summary timetable	
Month	Activity
September 2017	Dialogue with bidders
October 2017	Final bids submitted
December 2017	M&C approval of JV partner
March 2018	Obtain SoS approval for disposal
March 2018	Enter JV, form new LLP
December 2018	Planning application made
March 2019	Land transfer to JV, land receipt received

Savings Proposals Appendices i to ix – October 2017

Appendix iv

1. Savings proposal	
Proposal title:	Administrative budgets
Reference:	I12
LFP work strand:	Management & Corporate Overheads
Directorate:	Resources & Regeneration
Head of Service:	Head of Policy and Governance
Service/Team area:	Executive Support
Cabinet portfolio:	Resources
Scrutiny Ctte(s):	Public Accounts Select Ctte

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
Reduction of administrative budget	N	N	N

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p><u>Support to senior management and directorates</u></p> <p>This area of business provides support to senior management (Chief Executive, Executive Directors, Director and Heads of Service) and includes staffing and administrative costs. The function provides a wide range of administrative and clerical activities that support senior management in the planning and co-ordination of business within and across directorates. The function supports both internal (Mayor and Councillors) and external relations (with Government departments, partner agencies and the public). Significant reductions in staffing support have been delivered in recent years, culminating in the consolidation of most of these functions into a central location.</p>
Saving proposal
<p>A saving of £20k will be made from top slicing administrative budgets across the support activities to senior management.</p>

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
<p>Significant savings have already been made on the staffing support over recent years through rounds of staff cuts in this area of business. The consolidation of the remaining staffing support, largely to one floor, has exploited the scope for some efficiencies of co-location to mitigate the impact of such staff reductions and management of administrative costs.</p> <p>The focus now is on top slicing operational or administrative budgets but it does increase risks to meeting basic administrative needs. These risks are mitigated in part by excluding the key subscriptions budgets (the LGA and London Councils) from this saving and the beneficial impact of going increasingly “paperless” (reducing demand</p>

Savings Proposals Appendices i to ix – October 2017

4. Impact and risks of proposal
for paper).
Outline risks associated with proposal and mitigating actions:
None noted

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	65	0	65	
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Reduce administrative budget	20			20
Total				
% of Net Budget	31%	%	%	31%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	No	No
If DSG, HRA, Health impact describe:				

6. Alignment to Lewisham 2020 priorities		
Main priority	Second priority	Lewisham 2020 priorities
E		A. Strengthening community input B. Sharing services C. Digitisation D. Income generating E. Demand management
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
M		

7. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
10		1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral		
Level of impact on main priority –	Level of impact on second priority –	

Savings Proposals Appendices i to ix – October 2017

7. Impact on Corporate priorities		
High / Medium / Low	High / Medium / Low	9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
Low		

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No Specific Impact
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	n/a	Pregnancy / Maternity:	n/a
Gender:	n/a	Marriage & Civil Partnerships:	n/a
Age:	n/a	Sexual orientation:	n/a
Disability:	n/a	Gender reassignment:	n/a
Religion / Belief:	n/a	Overall:	n/a
For any High impact service equality areas please explain why and what mitigations are proposed:			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
None

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
March 2018	Savings implemented as part of 2018/19 budget

Savings Proposals Appendices i to ix – October 2017

Appendix v

1. Savings proposal	
Proposal title:	Finance function efficiencies through the implementation of Oracle Cloud
Reference:	I13
LFP work strand:	I - Management and Corporate Overheads
Directorate:	Resources and Regeneration
Head of Service:	Head of Financial Services
Service/Team area:	Financial Services Division
Cabinet portfolio:	Resources
Scrutiny Ctte(s):	Public Accounts Select Ctte

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
a) Finance function service changes - £200k for 2018/19	No	No	Yes

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The Financial Services division forms part of the Resources and Regeneration Directorate. It provides a range of different services which include; a statutory accounting function including core reconciliations, financial business and management accounting advice to managers, as well as a payroll and pensions administration function. Similar to the approach taken in recent years, it should also be noted that discussions about 'finance' also includes the strategic finance team, which is part of the Corporate Resources division. This team provides a budget strategy, treasury management and pensions' investment function.</p>
Saving proposal
<p>The Financial Services Division is expected a saving at £300k over the course of the next two years, £200k for 2018/19 and £100k for 2019/20. This target could only be achieved in the context of ensuring that the Council continues to meet its financial statutory obligations. This proposal provides focus on the identification and delivery of the £200k saving for 2018/19.</p> <p>In May 2017, Mayor & Cabinet took a decision to integrate the IT functionality of the finance, procurement, human resources and payroll services through the development and implementation of an integrated Enterprise Resources Planning (ERP) solution. This programme, known as Oracle Cloud, is being designed to deliver a solution which will enable joined up information, processes and decision making. Amongst the most important element of business change, which financial services want to assist with, is encouraging business managers to take an enterprise view, by providing them with properly joined up information and a single entry point to initiate actions, rather than the separate ones for finance and human resources etc.,</p>

Savings Proposals Appendices i to ix – October 2017

3. Description of service area and proposal

To deliver these savings it will be necessary to undertake an in-depth review of the Council's finance function in terms of how the staff teams are arranged and specific duties they are required to undertake. The aspiration is to move the function more towards an advisory type position, but it will take time to get there. This work is underway and it will be possible to deliver revenue budget savings of £200k for 2018/19.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

The new solution is expected to engender greater self service for manages and budget holders throughout the organisation. Full adoption of the solution will be essential if the organisation is to fully realise the benefits and achieve the efficiencies needed.

Outline risks associated with proposal and mitigating actions:

Delivering savings of this order could have a significant impact on the council's ability to achieve its statutory obligations, the most fundamental one of which is to close the annual accounts and achieve a clean audit opinion at the end of that process. This will come about if officers are unable to fully realise the benefits of the new Oracle Cloud solution and ensure that it is used in the appropriate way.

Some of the function's routine responsibilities such as making statutory government returns (NNDR, Section 251, CTB, RA and RO forms etc.) would continue to be affected by reductions in the staffing compliment. Therefore, unless the finance function is deemed 'business ready' by April 2019 when the new Oracle Cloud solution is expected to have gone live, then there would be major risks of taking any more money out of the function. These risks are being mitigated through close monitoring of the Oracle Cloud design and delivery programme to ensure that any deviations from the plan can be appropriately rectified.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	4,682	(1,472)	3,210	
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
a) Finance function service changes	200			200
Total	200			200
% of Net Budget	6%	%	%	6%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	No	No

Savings Proposals Appendices i to ix – October 2017

5. Financial information				
If DSG, HRA, Health impact describe:				

6. Alignment to Lewisham 2020 priorities		
Main priority	Second priority	Lewisham 2020 priorities A. Strengthening community input B. Sharing services C. Digitisation D. Income generating E. Demand management
Digitisation	Sharing Services	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
High	Medium	

7. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people 9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
Inspiring Efficiency, effectiveness and equity	N/A	
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Positive	N/A	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
High	N/A	

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	None
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:		Pregnancy / Maternity:	
Gender:		Marriage & Civil Partnerships:	
Age:		Sexual orientation:	
Disability:		Gender reassignment:	
Religion / Belief:		Overall:	Low
For any High impact service equality areas please explain why and what mitigations are proposed:			

Savings Proposals Appendices i to ix – October 2017

9. Service equalities impact	
None	
Is a full service equalities impact assessment required: Yes / No	No

10. Human Resources impact					
Will this saving proposal have an impact on employees: Yes / No					Possibly
Workforce profile:					
Posts	Headcount in post	FTE in post	Establishment posts	Vacant	
				Agency / Interim cover	Not covered
Scale 1 – 2					
Scale 3 – 5					
Sc 6 – SO2					
PO1 – PO5					
PO6 – PO8					
SMG 1 – 3					
JNC					
Total					
Gender	Female	Male			
Ethnicity	BME	White	Other	Not Known	
Disability	Yes	No			
Sexual orientation	Straight / Heterosex.	Gay / Lesbian	Bisexual	Not disclosed	

11. Legal implications
State any specific legal implications relating to this proposal:
There are no specific legal implications which arise from agreeing this budget saving proposal. Any staffing changes, once identified, will be managed in compliance with the Council's managing change policy.

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
September 2017	Proposals prepared (this template and supporting papers – e.g. draft public consultation)
October 2017	Proposals submitted to Scrutiny committees leading to M&C (despatch 24 October)

Savings Proposals Appendices i to ix – October 2017

12. Summary timetable	
November 2016	Scrutiny meetings held with consultations ongoing
December 2017	Proposals to M&C for decision on 6 December (Despatch 29 Nov) and (full decision) reports returned to Scrutiny for review
January 2018	Transition work ongoing
February 2018	Transition work ongoing and budget set 21 February
March 2018	Savings implemented

Savings Proposals Appendices i to ix – October 2017

Appendix vi

1. Savings proposal	
Proposal title:	Loss of seconded Police Officer to Counter Fraud team
Reference:	I14
LFP work strand:	I – Management and Corporate Overheads
Directorate:	Resources & Regeneration
Head of Service:	Head of Corporate Resources
Service/Team area:	Audit & Risk – Anti Fraud and Corruption Team (A-FACT)
Cabinet portfolio:	Resources
Scrutiny Ctte(s):	Public Accounts Select Ctte

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
a) Loss of Police Officer secondment	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
The Anti-Fraud and Corruption Team (A-FACT) fulfils the statutory obligation on the Council to investigate Housing fraud. It also investigates, in accordance with legislation, allegations of misuses of public resources or internal fraud and promotes good practices to help protect public funds.
Saving proposal
Reduce the A-FACT budget by £70k to recognise the loss of the seconded police officer to Lewisham Council.
During 2017/18 the Metropolitan Police Service recalled all their Detective Constables, including the one seconded to Lewisham Council. They also confirmed that they would not be renewing this scheme that saw police officers seconded to London Boroughs and that in future this partnership working would return to being wholly between the authority and their local force.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
The loss of the Police Officer will mean that any criminal cases will have to be taken up by the local force rather than directly. In addition the Police Officer was the Council's Financial Investigator, able to pursue Proceeds of Crime cases. This access and skills are being lost.
Outline risks associated with proposal and mitigating actions:
The risks are the inability to pursue criminal cases or seek the recovery of assets without the support of the local police or other qualified investigators. The mitigations are to continue working closely with the Borough police force and look to train another

Savings Proposals Appendices i to ix – October 2017

4. Impact and risks of proposal

member of the team and a Financial Investigator or access these skills through the CIPFA Counter Fraud hub on an as needed basis.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	330	(30)	300	
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
a) Loss of Police Officer seondment	70			70
Total	70			70
% of Net Budget	23%	%	%	23%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	Yes	No
If DSG, HRA, Health impact describe:			Some investigations concern housing matters	

6. Alignment to Lewisham 2020 priorities

Main priority	Second priority	Lewisham 2020 priorities
B		A. Strengthening community input B. Sharing services C. Digitisation D. Income generating E. Demand management
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium		

7. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities
10		1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Negative		
Level of impact on main priority –	Level of impact on second priority –	

Savings Proposals Appendices i to ix – October 2017

7. Impact on Corporate priorities		
High / Medium / Low	High / Medium / Low	9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
Low		

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No Specific impact
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:		Pregnancy / Maternity:	
Gender:		Marriage & Civil Partnerships:	
Age:		Sexual orientation:	
Disability:		Gender reassignment:	
Religion / Belief:		Overall:	N/A
For any High impact service equality areas please explain why and what mitigations are proposed:			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
None

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
March 2018	Savings implemented

Savings Proposals Appendices i to ix – October 2017

Appendix vii

1. Savings proposal	
Proposal title:	Balance sheet review of accounting policies
Reference:	I15
LFP work strand:	Management and corporate overheads
Directorate:	Resources & Regeneration
Head of Service:	Head of Corporate Resources
Service/Team area:	Strategic Finance and Core Accounting
Cabinet portfolio:	Resources
Scrutiny Cttee(s):	Public Accounts Select Cttee

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
a) Review of MRP accounting policy	Yes	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
The service area facilitates the Council's Strategic Finance activities (managing the savings and budget setting process, providing corporate finance advice (including procurement), performing treasury management functions, and managing the pension fund) to support delivery of Council objectives.
Saving proposal
As part of the Treasury Management Strategy, review the Council's Minimum Revenue Provision (MRP) policy and re-evaluate the appropriate levels required in line with current asset valuations to remain prudent and comply with international finance and CIPFA accounting guidance.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
This is a technical finance accounting adjustment that will not directly impact service users.
Outline risks associated with proposal and mitigating actions:
The risk is that if there is a sudden swing in the value of the Council's assets an in year charge would need to be taken to the Council's revenue budget. This will be mitigated by ensuring the asset position is considered with reference to the underlying value of the assets and any related borrowing costs to ensure a prudent approach.

5. Financial information				
Controllable budget:	Spend	Income	Net Budget	

Savings Proposals Appendices i to ix – October 2017

5. Financial information				
General Fund (GF)	£'000	£'000	£'000	
	N/A		N/A – this concerns the balance sheet not revenue account	
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
a) Review of MRP accounting policy	1,000			1,000
Total	1,000			1,000
% of Net Budget	%	%	%	%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	No	No
If DSG, HRA, Health impact describe:				

6. Alignment to Lewisham 2020 priorities		
Main priority	Second priority	Lewisham 2020 priorities
N/A		A. Strengthening community input F. Sharing services G. Digitisation H. Income generating I. Demand management
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	

7. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities
10		1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people 9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Med		

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No Specific impact

Savings Proposals Appendices i to ix – October 2017

8. Ward impact	
	If impacting one or more wards specifically – which?
	N/A

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:		Pregnancy / Maternity:	
Gender:		Marriage & Civil Partnerships:	
Age:		Sexual orientation:	
Disability:		Gender reassignment:	
Religion / Belief:		Overall:	N/A
For any High impact service equality areas please explain why and what mitigations are proposed:			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
TBC – this will be part of setting the Council's Treasury Strategy as part of the budget in February 2018

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
September 2017	Proposals prepared (this template and supporting papers – e.g. draft public consultation)
October 2017	Proposals submitted to Scrutiny committees leading to M&C (despatch 24 October)
November 2016	Scrutiny meetings held with consultations ongoing
December 2017	Proposals to M&C for decision on 6 December (Despatch 29 Nov) and (full decision) reports returned to Scrutiny for review
January 2018	Transition work ongoing
February 2018	Transition work ongoing and budget set 21 February
March 2018	Savings implemented

Savings Proposals Appendices i to ix – October 2017

Appendix viii

1. Savings proposal	
Proposal title:	Statutory functions of School Effectiveness
Reference:	J3
LFP work strand:	School Effectiveness
Directorate:	Children and Young People
Head of Service:	Head of Standards and Inclusion
Service/Team area:	Access, Inclusion and Participation
Cabinet portfolio:	Children and Young People
Scrutiny Ctte(s):	Children and Young People

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
Statutory functions to be funded from DSG	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
The Attendance and Welfare service delivers services to ensure children and young people attend school and have appropriate access to education. This includes attendance and welfare, child employment and support for parents and schools on exclusions and the education of Looked After Children. Part of the service is traded with schools, the statutory functions have up to now been funded from the General Fund.
Saving proposal
The Department for Education removed the Education Services Grant (ESG) from Local Authorities in 2017/18. The grant was then treated as part of the General Fund. The Department for Education however moved the part of the grant that supported statutory education services to the Dedicated Schools Budget. It is now proposed that those former statutory services be funded out of the Dedicated Schools Grant.

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
None
Outline risks associated with proposal and mitigating actions:
The former education services grant has been incorporated into the new central block of the Dedicated Services Grant, potentially this could be reduced by central government or a fall in pupil numbers which would put pressure on these services. Over the past few years the level of the Dedicated Services Grant has been cash frozen and this is likely to continue in the future, making the need for efficiencies to be made in the service.

Savings Proposals Appendices i to ix – October 2017

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	366	0	366	
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Statutory functions to be funded from DSG	366			366
Total	366			366
% of Net Budget	100%	%	%	100%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	Yes		
If DSG, HRA, Health impact describe:		Costs transferred to the DSG		

6. Alignment to Lewisham 2020 priorities		
Main priority	Second priority	Lewisham 2020 priorities A. Strengthening community input B. Sharing services C. Digitisation D. Income generating E. Demand management
A	B	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Low	Low	

7. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people 9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
2	10	
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral	Neutral	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Low	Low	

Savings Proposals Appendices i to ix – October 2017

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	N/A	Marriage & Civil Partnerships:	N/A
Age:	N/A	Sexual orientation:	N/A
Disability:	N/A	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	N/A
For any High impact service equality areas please explain why and what mitigations are proposed:			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
There are no specific legal implications

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
March 2018	Savings implemented when setting GF and DSG budgets for 2018/19

Savings Proposals Appendices i to ix – October 2017

Appendix ix

1. Savings proposal	
Proposal title:	Problem solving crime reduction
Reference:	K5
LFP work strand:	Crime reduction
Directorate:	Community Services
Head of Service:	Head of Public Protection and Safety
Service/Team area:	Crime, Enforcement and Regulation
Cabinet portfolio:	Community and Equalities
Scrutiny Committee(s):	Safer Stronger Select Committee

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
a) Problem solving crime reduction	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The Crime, Enforcement and Regulation Service covers the following statutory areas:</p> <ul style="list-style-type: none"> • Crime reduction service inc ASB, PREVENT • Statutory Nuisance • Licensing • Trading standards <p>And the following non-statutory areas:</p> <ul style="list-style-type: none"> • Serious Youth Violence • VAWG • Hate Crime • CCTV • Counter extremism <p>The CER service was created in Aug 15. There has been significant investment in staff development and training to enable staff to deliver in this multi-faceted service. Areas such as PREVENT, Serious Youth Violence, aspects of the VAWG service etc are all externally funded.</p>
Saving proposal
<p>The service has allocated funds to support problem solving processes which could require small amounts of resources to deliver and tackle problems identified throughout the year. The proposal is to reduce this budget and resource by 50%. The full amount is not proposed as this will significantly limit services being delivered directly to communities as problems are identified.</p>

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
The impact based on previous years will be a limited flexibility to deliver and support

Savings Proposals Appendices i to ix – October 2017

4. Impact and risks of proposal

problems that arise. This will impact on residents and partners.

Outline risks associated with proposal and mitigating actions:

Reduced service offer designed to tackle problems identified. The risks can not be mitigated as resources across the partnership are also reduced.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	3,092	(1,233)	1,859	
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
a) Problem solving crime reduction	30	0	0	30
Total	30	0	0	30
% of Net Budget	1%	%	%	1%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Y	N	N	N
If DSG, HRA, Health impact describe:				

6. Alignment to Lewisham 2020 priorities

Main priority	Second priority	Lewisham 2020 priorities
A		A. Strengthening community input
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	B. Sharing services C. Digitisation D. Income generating E. Demand management
Medium		

7. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities
4	1	1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
negative	negative	
Level of impact on main priority –	Level of impact on second priority –	

Savings Proposals Appendices i to ix – October 2017

7. Impact on Corporate priorities		
High / Medium / Low	High / Medium / Low	9. Active, healthy citizens
Medium	Medium	10. Inspiring efficiency, effectiveness and equity

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	Medium	Pregnancy / Maternity:	Low
Gender:	Medium	Marriage & Civil Partnerships:	Low
Age:	Medium	Sexual orientation:	Low
Disability:	Medium	Gender reassignment:	Low
Religion / Belief:	Medium	Overall:	Medium
For any High impact service equality areas please explain why and what mitigations are proposed:			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
TBC

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
March 2018	Savings implemented

Savings Proposals Appendices i to ix – October 2017

Appendix x

1. Savings proposal	
Proposal title:	Reduced costs of providing nightly paid accommodation
Reference:	M8
LFP work strand:	Housing non-HRA
Directorate:	Customer Services
Head of Service:	Head of Strategic Housing
Service/Team area:	Housing Needs and Refugee Services
Cabinet portfolio:	Housing
Scrutiny Cttee(s):	Housing Select Committee

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
Reduced costs of providing nightly paid accommodation	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The Housing Needs and Refugee Service manages the housing and homelessness assessment process, the statutory provision of emergency housing for homeless households, and the work that the Council is doing to support refugees.</p> <p>The London wide housing crisis has driven huge operational and financial pressures for all London local authorities in this area. In Lewisham there are now more than 1,800 households who are homeless and living in temporary accommodation, of whom more than 500 are living in “nightly paid” accommodation.</p> <p>Over the past five years the Council has pursued a wide ranging strategy to address these pressures. This has included: ambitious targets for Council house building; a range of projects to create better and cheaper forms of temporary accommodation of which PLACE/Ladywell has been the most high profile example; providing £40m of loan finance to Lewisham Homes to enable it to acquire properties for use for homeless households; and a focus on intervening with families earlier in the homelessness process in order to prevent rather than respond to potential problems.</p> <p>Through all of these measures, the number of households in nightly paid temporary accommodation has broadly stabilised at around 520, and there are on-going strategies in place to continue to reduce this number.</p>
Saving proposal
<p>The proposed saving is to reduce, by £250k, the budget of £3.05m which is held to fund “nightly paid” accommodation for homeless households.</p> <p>It is projected that this saving can be enabled in three ways:</p> <ol style="list-style-type: none"> 1. By reducing the number of households placed in nightly paid accommodation 2. By reducing the average cost per placement for households placed in nightly

3. Description of service area and proposal

accommodation

3. By generating income from alternative forms of temporary accommodation that are being bought or built by the Council

The reduction in the overall number of households is projected to be achieved by continuing the range of interventions set out above. Further property acquisitions, conversions, leases and developments are expected to come forward in the coming year which will help to provide alternatives to nightly paid options. In addition the continuing focus on homelessness prevention should continue to tackle the overall level of demand.

The reduction in average cost per placement can be achieved through the effective targeting of the most expensive placements, supported by high quality management information and reporting on cases and costs that has been developed over the past two years. This approach has already helped to reduce average placement costs even as the number of placements has stayed the same.

Finally, some alternative forms of temporary accommodation generate an income to the Council, and in some cases also generate an operating surplus over and above the costs of operation and of financing the original investment. The PLACE/Ladywell and Hamilton Lodge developments are examples of where this has been possible, and have already facilitated revenue savings in previous iterations of the budget setting process. Officers are bringing forward further similar projects which will, in due course, also generate an operating surplus to the Council. While most of these are projected to come on-stream from 2018/19 onwards, it is still expected that a small additional operational surplus can be made in the coming year and can contribute to the overall £250k saving.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

The Council and its service users are negatively impacted by the on-going housing crisis and the efforts set out above to address this by sourcing better and more sustainable accommodation benefit both homeless households and the Council's financial position.

In that sense, this proposal mainly provides benefits rather than risks. That said, there are risks to delivery. The London housing crisis could worsen, and increase demand more than currently expected. Equally the savings are predicated on the continuing tight management of placement costs, and continuing delivery of acquisition and new build projects, without which the saving will not be deliverable.

Outline risks associated with proposal and mitigating actions:

Tight operational management of costs can be facilitated through a structured approach to decision making and the provision of regular and robust management information to support decisions.

The delivery of acquisition and development projects can be supported by ensuring sufficient operational resources, processes and access to technical support is in place.

Savings Proposals Appendices i to ix – October 2017

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	28,263	(22,675)	5,588	
HRA	n/a	n/a		
DSG	n/a	n/a		
Health	n/a	n/a		
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Reduced costs of providing nightly paid accomodation	250			250
Total	250			250
% of Net Budget	5%	%	%	5%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	No	No
If DSG, HRA, Health impact describe:	n/a	n/a	n/a	n/a

6. Alignment to Lewisham 2020 priorities		
Main priority	Second priority	Lewisham 2020 priorities A. Strengthening community input B. Sharing services C. Digitisation D. Income generating E. Demand management
E	A	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
High	Medium	

7. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people 9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
Decent Homes for all	Inspiring efficiency, effectiveness and equity	
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Positive	Positive	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Medium	Medium	

Savings Proposals Appendices i to ix – October 2017

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	Low	Pregnancy / Maternity:	Low
Gender:	Low	Marriage & Civil Partnerships:	Low
Age:	Low	Sexual orientation:	Low
Disability:	Low	Gender reassignment:	Low
Religion / Belief:	Low	Overall:	Low
For any High impact service equality areas please explain why and what mitigations are proposed:			
Nightly paid accommodation is least stable form of emergency accommodation. By providing alternatives to this form, residents will benefit from a positive impact			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
There are no specific legal implications from reducing this budget. The specific proposals that have enabled it to be made, and future iterations of those, are all considered separately at Mayor and Cabinet and legal implications are considered at that time.

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
April 2018	Budget reduced and savings implemented

Savings Proposals Appendices i to ix – October 2017

Appendix xi

1. Savings proposal	
Proposal title:	Council Tax single person discount review
Reference:	O5
LFP work strand:	Public Services
Directorate:	Customer Services
Head of Service:	Head of Public Services
Service/Team area:	Revenues / Council Tax
Cabinet portfolio:	Resouces
Scrutiny Ctte(s):	Public Accounts Select Ctte

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
Council Tax single person discount review	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
Council Tax collection and administration.
Saving proposal
<p>There are 125,000 households in the borough and of these 47,000 (37%) are in receipt of a single person discount. This is the highest percentage of single person discount claims in London.</p> <p>The Council has reviewed its single person discounts on an annual basis for many years using an external provider that carries out a data match exercise. This has generated additional Council Tax of over £700,000 pa. However, in 2017/18 the Council carried out a proof of concept using a more detailed data match, which identified a possible 2,500 incorrect claims and lost Council Tax of potentially up to £800,000 pa.</p> <p>The saving is the billing and collection of the additional Council Tax the review identified as due. The service believes it will collect at least £500K of this additional Council Tax in 2018/19.</p> <p>The reason the £500K is below the estimate of £800K, is because it is expected that further challenges to the discount withdrawal will be received once the Council sends a bill. In addition, the Council is expecting it is going to have to take a higher than normal level of enforcement action to collect the debt.</p>

4. Impact and risks of proposal
Outline impact to service users, partners, other Council services and staff:
The impact on service users will be that those Council Tax payers who are not entitled to a single person discount will have to pay more. There will be no impact on

Savings Proposals Appendices i to ix – October 2017

4. Impact and risks of proposal

partners. There will be some additional administration for staff.

Outline risks associated with proposal and mitigating actions:

There is a risk that the data used is unreliable. However, Council Tax payers have been given two opportunities to challenge it before we withdrew the discount and sent an amended bill.

There is a risk that Council Tax payers may not pay the increased bill. However, the service will take enforcement action against those that do not pay their bill.

5. Financial information				
Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	N/A	N/A	N/A	
HRA	-			
DSG	-			
Health	-			
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Council Tax single person discount review	500			
Total	500			
% of Net Budget	N/A	%	%	%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	No	No
If DSG, HRA, Health impact describe:				

6. Alignment to Lewisham 2020 priorities

Main priority	Second priority	Lewisham 2020 priorities A. Strengthening community input B. Sharing services C. Digitisation D. Income generating E. Demand management
D		
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
High		

7. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities 1. Community leadership and empowerment 2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence
10		
Impact on main	Impact on second	

Savings Proposals Appendices i to ix – October 2017

7. Impact on Corporate priorities		
priority – Positive / Neutral / Negative	priority – Positive / Neutral / Negative	
Positive		5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people 9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
Low		

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:		Pregnancy / Maternity:	
Gender:		Marriage & Civil Partnerships:	
Age:		Sexual orientation:	
Disability:		Gender reassignment:	
Religion / Belief:		Overall:	n/a
For any High impact service equality areas please explain why and what mitigations are proposed:			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
None.

12. Summary timetable	
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:	
The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.	
Month	Activity
March 2018	Savings implemented

Savings Proposals Appendices i to ix – October 2017

Appendix xii

1. Savings proposal	
Proposal title:	Planning savings
Reference:	P3
LFP work strand:	Planning and economic development
Directorate:	Resources and Regeneration
Head of Service:	Head of Planning
Service/Team area:	Planning
Cabinet portfolio:	Regeneration
Scrutiny Ctte(s):	Sustainable Development

2. Decision Route			
Saving proposed:	Key Decision Yes / No	Public Consultation Yes / No	Staff Consultation Yes / No
a) increase income	No	No	No

3. Description of service area and proposal
Description of the service area (functions and activities) being reviewed:
<p>The Government has recently laid before Parliament draft legislation relating to changes to the Planning Statutory Fees. It is proposed that planning application fees will be increased by 20%, which should be in place by 1 April 2018.</p> <p>Planning Application Fees for 2016/17 were £910,778 and are forecasted as £1.2m during 2017/18, against an annual budget of £929,000 for both years. An increase of 20% would have uplifted this income to £1,092,934, an increase of £182k (2016/17) and £1,440,000 a forecast increase of £240k (2017/18).</p> <p>However, we are only able to take advantage of the 20% increase in fees if we do not reduce our base budget. This Government requirement has been introduced to ensure that the application fee increase will be “ring-fenced” to improve planning capacity and customer service. Therefore, the Development Management (E44613) base budget of £1,751,393 cannot be reduced in the budget savings exercise for the foreseeable future.</p> <p>The Planning Service have therefore looked to identify opportunities to generate additional income as opposed to savings to the base budget.</p>
Saving proposal
<p>In total £270k made up of:</p> <p>£240k from the outline proposal for 2018/19 presented in the savings round for 2017/18. This was anticipated to come from £200k income and £40k restructure. Due to the ringfencing of the base budget, the £40k restructure figure is no longer achievable via a restructure but would be more than offset by the statutory fee increase.</p> <p>The additional £30k increase in income to the DM budget will come through a further</p>

Savings Proposals Appendices i to ix – October 2017

3. Description of service area and proposal

review of and increase to chargeable services.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

There will be an impact on service users through the increase of fees. However, these have not been reviewed for some time and we would be seeking to ensure that we are fully recovering the cost. The Planning Service are continuing to improve the Planning web pages to ensure that a free offer is available to any householders looking to undertake works in the Borough. Discussions with developers has indicated a willingness to pay increased fees if it enables a good level of service to be provided.

Outline risks associated with proposal and mitigating actions:

There is a risk that by increasing fees, less customers will choose to use the service. In order to minimise this, the Planning Service are already looking at customer satisfaction and ways of promoting and marketing services.

5. Financial information

Controllable budget: General Fund (GF)	Spend £'000	Income £'000	Net Budget £'000	
	2,637	(1,582)	1,055	
HRA				
DSG				
Health				
Saving proposed:	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
income	270			270
Total	270			270
% of Net Budget	26%	5%	%	26%
Does proposal impact on: Yes / No	General Fund	DSG	HRA	Health
	Yes	No	No	No
If DSG, HRA, Health impact describe:				

6. Alignment to Lewisham 2020 priorities

Main priority	Second priority	Lewisham 2020 priorities
Income generating	Demand management	A. Strengthening community input
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	B. Sharing services
Low	Medium	C. Digitisation
		D. Income generating
		E. Demand management

7. Impact on Corporate priorities

Main priority	Second priority	Corporate priorities
		1. Community leadership and empowerment

Savings Proposals Appendices i to ix – October 2017

7. Impact on Corporate priorities		
Decent Homes for all	Strengthening the local economy	2. Young people's achievement and involvement 3. Clean, green and liveable 4. Safety, security and a visible presence 5. Strengthening the local economy 6. Decent homes for all 7. Protection of children 8. Caring for adults and the older people 9. Active, healthy citizens 10. Inspiring efficiency, effectiveness and equity
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
neutral	neutral	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
low	low	

8. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

9. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	n/a	Pregnancy / Maternity:	n/a
Gender:	n/a	Marriage & Civil Partnerships:	n/a
Age:	n/a	Sexual orientation:	n/a
Disability:	n/a	Gender reassignment:	n/a
Religion / Belief:	n/a	Overall:	n/a
For any High impact service equality areas please explain why and what mitigations are proposed:			
Is a full service equalities impact assessment required: Yes / No			No

10. Human Resources impact	
Will this saving proposal have an impact on employees: Yes / No	No
Workforce profile:	

11. Legal implications
State any specific legal implications relating to this proposal:
As increasing income to cover the full cost of undertaking service, no legal implications.

12. Summary timetable
Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

Savings Proposals Appendices i to ix – October 2017

12. Summary timetable

The main savings timetable for 2018/19 has been included here FYI. Please amend for proposal if different.

Month	Activity
September 2017	Proposals prepared
October 2017	Proposals submitted to Scrutiny committees leading to M&C (despatch 24 October)
November 2016	Scrutiny meetings held with consultations ongoing
December 2017	Proposals to M&C for decision on 6 December (Despatch 29 Nov) and (full decision) reports returned to Scrutiny for review
January 2018	Transition work ongoing
February 2018	Transition work ongoing and budget set 21 February
March 2018	Savings implemented

APPENDICES xiii to xvi

Contents

Appendix xiii Corporate Savings Principles

Appendix xiv Making Fair Financial Decisions Guidance

Appendix xv Summary of equality implications

Appendix xvi Savings Summary Table

Appendix xiii

Corporate Savings Principles

Prior to the General Election in 2010, the Labour Government instituted a programme of austerity planned over a five year period. In 2010 the Coalition Government increased the level of and pace of “fiscal consolidation” (i.e. tax increases and spending cuts) that applied to the nation’s public finances. In 2013 these were increased again such that the original plans of the (then) Labour Government to reduce public spending have been increased dramatically. To ensure that this scale of service cuts did not impact adversely on front-line services the Mayor and Cabinet agreed a set of principles to underpin the Council’s decision making. These principles ensure that we:

- 1) Take account of the impact on service outcomes and social results for customers and citizens
- 2) Be prudent and sustainable for the longer term, we will not just opt for short term fixes
- 3) Reflect a coherent “one organisation” approach that avoids silo-based solutions
- 4) Encourage self-reliance, mutualism and cooperative endeavour
- 5) Mitigate potential harm in accordance with an appropriate assessment of needs
- 6) Be mindful of the impact on the geography of fairness across Lewisham (and our boundaries)
- 7) Involve service users, staff and other stakeholders in the redesign of services for the future
- 8) Consider the current or potential actions of other public agencies and the voluntary sector locally, including sharing and reshaping services (Total Place)
- 9) Consider the impact on the Lewisham approach where we listen to all voices, take account of all views and then we move forward to implement.

Appendix xiv



**Making fair financial decisions
Guidance for decision-makers**

3rd edition, January 2015

Introduction

With major reductions in public spending, public authorities in Britain are being required to make difficult financial decisions. This guide sets out what is expected of you as a decision-maker or leader of a public authority responsible for delivering key services at a national, regional and/or local level, in order to make such decisions as fair as possible.

The public sector equality duty (the equality duty) does not prevent you from making difficult decisions such as reorganisations and relocations, redundancies, and service reductions, nor does it stop you from making decisions which may affect one group more than another group. The equality duty enables you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and the rights of different members of your community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on people with different protected characteristics.

Assessing the impact on equality of proposed changes to policies, procedures and practices is not just something that the law requires, it is a positive opportunity for you as a public authority leader to ensure you make better decisions based on robust evidence.

What the law requires

Under the equality duty (set out in the Equality Act 2010), public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

The protected characteristics covered by the equality duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.

The law requires that public authorities demonstrate that they have had 'due regard' to the aims of the equality duty in their decision-making. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can demonstrate that they have had 'due regard'.

It is also important to note that public authorities subject to the equality duty are also likely to be subject to the Human Rights Act 1998. We would therefore recommend that public authorities consider the potential impact their decisions could have on human rights.

Aim of this guide

This guide aims to assist decision-makers in ensuring that:

- The process they follow to assess the impact on equality of financial proposals is robust, and
- The impact that financial proposals could have on people with protected characteristics is thoroughly considered before any decisions are arrived at.

We have also produced detailed guidance for those responsible for assessing the impact on equality of their policies, which is available on our website at www.equalityhumanrights.com

The benefits of assessing the impact on equality

By law, your assessments of impact on equality must:

- Contain enough information to enable a public authority to demonstrate it has had 'due regard' to the aims of the equality duty in its decision-making
- Consider ways of mitigating or avoiding any adverse impacts.

Such assessments do not have to take the form of a document called an equality impact assessment. If you choose not to develop a document of this type, then some alternative approach which systematically assesses any adverse impacts of a change in policy, procedure or practice will be required.

Assessing impact on equality is not an end in itself and it should be tailored to, and be proportionate to, the decision that is being made.

Whether it is proportionate for an authority to conduct an assessment of the impact on equality of a financial decision or not depends on its relevance to the authority's particular function and its likely impact on people with protected characteristics.

We recommend that you document your assessment of the impact on equality when developing financial proposals. This will help you to:

- **Ensure you have a written record of the equality considerations** you have taken into account.
- **Ensure that your decision includes a consideration of the actions that would help to avoid or mitigate any impacts on particular protected characteristics.** Individual decisions should also be informed by the wider context of decisions in your own and other relevant public authorities, so that people with particular protected characteristics are not unduly affected by the cumulative effects of different decisions.

- **Make your decisions based on evidence:** a decision which is informed by relevant local and national information about equality is a better quality decision. Assessments of impact on equality provide a clear and systematic way to collect, assess and put forward relevant evidence.

- **Make the decision-making process more transparent:** a process which involves those likely to be affected by the policy, and which is based on evidence, is much more open and transparent. This should also help you secure better public understanding of the difficult decisions you will be making in the coming months.

- **Comply with the law:** a written record can be used to demonstrate that due regard has been had. Failure to meet the equality duty may result in authorities being exposed to costly, time-consuming and reputation-damaging legal challenges.

When should your assessments be carried out?

Assessments of the impact on equality must be carried out at a **formative stage** so that the assessment is an integral part of the development of a proposed policy, not a later justification of a policy that has already been adopted. Financial proposals which are relevant to equality, such as those likely to impact on equality in your workforce and/or for your community, should always be subject to a thorough assessment. This includes proposals to outsource or procure any of the functions of your organisation. The assessment should form part of the proposal, and you should consider it carefully **before** making your decision.

If you are presented with a proposal that has not been assessed for its impact on equality, you should question whether this enables you to consider fully the proposed changes and its likely impact. Decisions not to assess the impact on equality should be fully documented, along with the reasons and the evidence used to come to this conclusion. This is important as authorities may need to rely on this documentation if the decision is challenged.

It is also important to remember that the potential impact is not just about numbers. Evidence of a serious impact on a small number of individuals is just as important as something that will impact on many people.

What should I be looking for in my assessments?

Assessments of impact on equality need to be based on relevant information and enable the decision-maker to understand the equality implications of a decision and any alternative options or proposals.

As with everything, proportionality is a key principle. Assessing the impact on equality of a major financial proposal is likely to need significantly more effort and resources dedicated to ensuring effective engagement, than a simple assessment of a proposal to save money by changing staff travel arrangements.

There is no prescribed format for assessing the impact on equality, but the following questions and answers provide guidance to assist you in determining whether you consider that an assessment is robust enough to rely on:

- **Is the purpose of the financial proposal clearly set out?**

A robust assessment will set out the reasons for the change; how this change can impact on protected groups, as well as whom it is intended to benefit; and the intended outcome. You should also think about how individual financial proposals might relate to one another. This is because a series of changes to different policies or services could have a severe impact on particular protected characteristics.

Joint working with your public authority partners will also help you to consider thoroughly the impact of your joint decisions on the people you collectively serve.

Example: A local authority takes separate decisions to limit the eligibility criteria for community care services; increase charges for respite services; scale back its accessible housing programme; and cut concessionary travel. Each separate decision may have a significant effect on the lives of disabled residents, and the cumulative impact of these decisions may be considerable. This combined impact would not be apparent if the decisions were considered in isolation.

• **Has the assessment considered available evidence?**

Public authorities should consider the information and research already available locally and nationally. The assessment of impact on equality should be underpinned by up-to-date and reliable information about the different protected groups that the proposal is likely to have an impact on. A lack of information is not a sufficient reason to conclude that there is no impact.

• **Have those likely to be affected by the proposal been engaged?**

Engagement is crucial to assessing the impact on equality. There is no explicit requirement to engage people under the equality duty, but it will help you to improve the equality information that you use to understand the possible impact on your policy on different protected characteristics. No-one can give you a better insight into how proposed changes will have an impact on, for example, disabled people, than disabled people themselves.

• **Have potential positive and negative impacts been identified?**

It is not enough to state simply that a policy will impact on everyone equally; there should be a more in-depth consideration of available evidence to see if particular protected characteristics are more likely to be affected than others. Equal treatment does not always produce equal outcomes; sometimes authorities will have to take particular steps for certain groups to address an existing disadvantage or to meet differing needs.

• **What course of action does the assessment suggest that I take? Is it justifiable?**

The assessment should clearly identify the option(s) chosen, and their potential impacts, and document the reasons for this decision. There are four possible outcomes of an assessment of the impact on equality, and more than one may apply to a single proposal:

Outcome 1: No major change required when the assessment has not identified any potential for discrimination or adverse impact and all opportunities to advance equality have been taken.

Outcome 2: Adjustments to remove barriers identified by the assessment or to better advance equality. Are you satisfied that the proposed adjustments will remove the barriers identified?

Outcome 3: Continue despite having identified some potential for adverse impacts or missed opportunities to advance equality. In this case, the justification should be included in the assessment and should be in line with the duty to have 'due regard'. For the most important relevant policies, compelling reasons will be needed. You should consider whether there are sufficient plans to reduce the negative impact and/or plans to monitor the actual impact, as discussed below.

Outcome 4: Stop and rethink when an assessment shows actual or potential unlawful discrimination.

• **Are there plans to alleviate any negative impacts?**

Where the assessment indicates a potential negative impact, consideration should be given to means of reducing or mitigating this impact. This will in practice be supported by the development of an action plan to reduce impacts. This should identify the responsibility for delivering each action and the associated timescales for implementation. Considering what action you could take to avoid any negative impact is crucial, to reduce the likelihood that the difficult decisions you will have to take in the near future do not create or perpetuate inequality.

Example: A University decides to close down its childcare facility to save money, particularly given that it is currently being under-used. It identifies that doing so will have a negative impact on women and individuals from different racial groups, both staff and students.

In order to mitigate such impacts, the University designs an action plan to ensure relevant information on childcare facilities in the area is disseminated to staff and students in a timely manner. This will help to improve partnership working with the local authority and to ensure that sufficient and affordable childcare remains accessible to its students and staff.

• **Are there plans to monitor the actual impact of the proposal?**

Although assessments of impact on equality will help to anticipate a proposal's likely effect on different communities and groups, in reality the full impact of a decision will only be known once it is introduced. It is therefore important to set out arrangements for reviewing the actual impact of the proposals once they have been implemented.

What happens if you don't properly assess the impact on equality of relevant decisions?

If you have not carried out an assessment of impact on equality of the proposal, or have not done so thoroughly, you risk leaving yourself open to legal challenges, which are both costly and time-consuming. Legal cases have shown what can happen when authorities do not consider their equality duties when making decisions.

Example: A court overturned a decision by Haringey Council to consent to a large-scale building redevelopment in Wards Corner in Tottenham, on the basis that the council had not considered the impact of the proposal on different racial groups before granting planning permission.

However, the result can often be far more fundamental than a legal challenge. If people feel that an authority is acting high-handedly or without properly involving its service users or employees, or listening to their concerns, they are likely to become disillusioned with you.

Above all, authorities which fail to carry out robust assessments of the impact on equality risk making poor and unfair decisions that could discriminate against people with particular protected characteristics and perpetuate or worsen inequality.

As part of its regulatory role to ensure compliance with the equality duty, the Commission monitors financial decisions with a view to ensuring that these are taken in compliance with the equality duty and have taken into account the need to mitigate negative impacts, where possible.

Appendix xv

Summary of Equalities Implications

Please see section 15.22 of the main report.

APPENDIX xvi

2018/19 SAVINGS - SUMMARY TABLE OF NEW PROPOSALS WITH PROFORMA AT NOVEMBER 2017

Ref.	Description	18/19 £'000	Key Decision	Public Consultation	Staff Consultation
B	Supporting People				
B4	Service economy rental income	70	N	N	N
D	Efficiency Review				
D2	Reduction in allocated Inflation	1,000	Y	N	N
E	Asset Rationalisation				
E8	Income from PRS joint venture - Besson St.	500	Y	N	N
I	Management and Corporate Overheads				
I12	Administration budget cut	20	N	N	N
I13	More efficient & effective finance processes	200	N	N	Y
I14	Loss of the Police Officer secondment	70	N	N	N
I15	Review of accounting policies in respect of the balance sheet	1,000	Y	N	N
J	School Effectiveness				
J3	Statutory functions for school effectiveness	360	N	N	N
K	Crime reduction				
K5	Crime problem solving	30	N	N	N
M	Housing strategy and non-HRA funded services				
M8	Reduced costs of providing nightly paid accommodation	250	N	N	N
O	Public Services				
O5	Council tax single person discount review	500	N	N	N
P	Planning and economic development				
P	Service income	270	N	N	N
	Sub Total	4,270			
	Previously Agreed (A19, L8 and Q 6 & 7)	580			
	TOTAL	4,850			

Ref.	Description	18/19 £'000	Key Decision	Public Consultation	Staff Consultation	Select Ctte	Comment
B	Supporting People						
B4	Service economy rental income	70	N	N	N	Healthier	
D	Efficiency Review						
D2	Reduction in allocated Inflation	1,000	Y	N	N	Public Accounts	
E	Asset Rationalisation						
E8	Income from PRS joint venture - Besson St.	500	Y	N	N	Housing (PAC)	
I	Management and Corporate Overheads						
I12	Administration budget cut	20	N	N	N	Public Accounts	
I13	More efficient & effective finance processes	200	N	N	Y	Public Accounts	
I14	Loss of the Police Officer secondment	70	N	N	N	Public Accounts	
I15	Review of accounting policies in respect of the balance sheet	1,000	Y	N	N	Public Accounts	
J	School Effectiveness						
J3	Statutory functions for school effectiveness	360	N	N	N	Children and Young People (CYP)	
K	Crime reduction						
K5	Crime problem solving	30	N	N	N	Safer Stronger	
M	Housing strategy and non-HRA funded services						

Ref.	Description	18/19 £'000	Key Decision	Public Consultation	Staff Consultation	Select Ctte	Comment
M8	Reduced costs of providing nightly paid accommodation	250	N	N	N	Housing	
O	Public Services						
O5	Council tax single person discount review	500	N	N	N	Public Accounts	
P	Planning and economic development						
P	Service income	270	N	N	N	Sustainable Development	
	Sub Total	4,270					
	Previously Agreed: A19; L8; and Q 6f & 7a.	300 130 50				Healthier Safer Stronger CYP	
	TOTAL	4,850					

Housing Select Committee			
Title	Working in the Private Rented Sector.		
Key decision	Yes	Item no	6
Wards	All		
Contributors	Executive Director of Customer Services Head of Law		
Class	Part 1	9th November 2017	

1. Summary

1.1 The purpose of this report is to:

- provide an update on the work of the Private Sector Housing Agency (PSHA), including the delivery of the additional licensing scheme introduced in February 2017. Committee are asked to note the 55% increase in the number of licences secured, or in the process of being secured, over the first seven months of this year from 231 to 420 (details in tables 1 & 2 below):
- summarise some of the key policy changes and developments relevant to the Private Rented Sector (PRS);
- summarise the new tool of Civil Penalty Notices available to tackle poor standards in the PRS introduced in the Housing & Planning Act 2016 to add to the existing Housing Enforcement powers;

2. Recommendations:

2.1 The Committee is ask to:

- consider and note the content of the report, especially relating to the licensing scheme and the future direction for managing the PRS;
- consider and agree the refreshed Housing Enforcement Policy introducing Civil Penalty Notices as an additional tool to tackle poor practice in the Private Rented Sector prior to referral to Mayor & Cabinet.

3. Policy Context:

3.1 The housing landscape is rapidly changing and demand is increasing across all tenures. The private rented sector in Lewisham is growing rapidly – having doubled in size since 2001 it now consists of more than 30,000 homes and makes up more than 25% of all households in the Borough. Rich and poor, families and single people are now all relying on the private rented sector to provide a home. This is consistent with the trend across London where the growth in private renting continues.

3.2 Despite the increasing costs of private renting, the sector is expected to grow further in Lewisham to a level comparable with, or even in excess of, the social rented sector which is 31% based on 2011 census data. This is due in part to the relative unaffordability of home ownership as a result of rapidly increasing house prices, the large numbers of households on the housing waiting list (9,700 households as of September 2017) and relatively low levels of lets, all of which when combined means that Lewisham residents are more reliant on the private rented sector than ever

before. The council recognises this and continues to act creatively by developing relationships and working in close partnership with private landlords to drive up standards and offer longer term tenancies, thereby ensuring residents have more choice. This is especially pertinent given that private renting remains the only option for many low income households and those in need.

- 3.3 As the size of the PRS increases tools are being developed both by national Government to address the worst abuses of tenants by criminal landlords but additionally in London where the problems are the most acute to improve standards and enhance the powers of authorities to act against the worst offenders. For example, following Government consultation late in 2016 the Government confirmed their intention to widen mandatory licensing to HMOs to exclude the 3 storey requirement whilst retaining the threshold at a minimum of 5 people. The introduction was planned for October 2017 but there have been delays due to other Government priorities. It is likely that the new scheme will be introduced in April 2018, and so work is ongoing to prepare for that scheme by identifying potential licensable HMOs that may fall under the new scheme on our current visits and speaking to landlords about the requirements. Further details are set out below relating to the licensing schemes in the Borough.
- 3.4 The London Mayor is also committed to tackling standards in the PRS and tackling the worst landlords and is launching a new online database that will “name and shame” rogue landlords. The new database is being built in partnership with all London Boroughs and will be published on the Mayor’s website. It will cite criminal landlords and letting agents who have been successfully prosecuted for housing offences. The Mayor believes it will give Londoners “greater confidence in renting in the capital”, allowing them to check a prospective landlord or letting agent before moving into a property, and acting as a deterrent to the minority of landlords and agents who behave dishonestly. This register will also be available to Councils across the capital to easily share information on enforcement and investigations, especially relating to rogue landlords to support more effective joint working. Initially the scheme was piloted with six councils — Newham, Brent, Camden, Southwark, Kingston and Sutton. Lewisham are planning to join in the second roll out in November. The stated aim is to “protect London’s 2 million private renters”. This scheme will sit alongside the national rogue landlord database summarised below.
- 3.5 Newham Council are also launching in October 2017 a register of local lettings agents working in their Borough which includes a star rating from 1 – 5 stars. The rating of the agents will be affected if they fail to refund deposits, deal with property repairs effectively or pass rental on to landlords as well as charge “unjustified” lettings fees. This is a new and exciting scheme which could be rolled out across other Boroughs.
- 3.6 Other changes include the Energy Efficiency (Private Rented Property)(England and Wales) Regulations 2015 which establish a minimum level of energy efficiency for privately rented property in England and Wales. The regulation means that, from April 2018, landlords of privately rented domestic and non-domestic property in England or Wales must ensure that their properties reach at least an Energy Performance Certificate (EPC) rating of E before granting a new tenancy to new or existing tenants. These requirements will then apply to all private rented properties in England and Wales – even where there has been no change in tenancy arrangements – from 1 April 2020 for domestic properties, and from 1 April 2023 for non-domestic properties.”
- 3.7 The contents of this report are consistent with the Council’s policy framework. It supports the achievements of the Sustainable Community Strategy policy objectives:

- Ambitious and achieving: where people are inspired and supported to fulfil their potential.
- Empowered and responsible: where people can be actively involved in their local area and contribute to tolerant, caring and supportive local communities.
- Healthy, active and enjoyable: where people can actively participate in maintaining and improving their health and well-being, supported by high quality health and care services, leisure, culture and recreational activities.

The report is also in line with the Council policy priorities, in particular:

- Decent homes for all - Investment in social and affordable housing, improve housing conditions and tackle homelessness

The work of the Agency will also help meet the Council's Housing Strategy 2015-2020 in which the Council commits to the following key objectives:

- Helping residents at times of severe and urgent housing need
- Building the homes our residents need
- Greater security and quality for private renters
- Promoting health and wellbeing by improving our residents' homes

4. Working in the Private Rented Sector:

- 4.1 The Private Sector Housing Agency was re-merged in June 2017 bringing the key services that work with the private sector, Empty Homes, Rogue Landlord services, Licensing & Enforcement, Grants and Loans to support frail and disabled clients to remain in their homes and the Procurement team that source temporary accommodation for a range of Council services. Re-forming this team brings together various areas of expertise under one manager.
- 4.2 One of the key priorities for the Agency is to deliver both the mandatory and additional licensing schemes (detailed below) to help drive up standards in the private rented sector.

Mandatory & Additional Licensing Update:

- 4.3 A series of reports to Housing Select Committee and Mayor and Cabinet have been submitted over the last few years which have set out the work of the Private Sector Housing Agency delivering schemes that tackle rogue or criminal landlords; that address property standards through targeted enforcement and most recently sought and secured approval for an expansion of an additional licensing scheme which was launched on the 11th February 2017.
- 4.4 The Council currently operates two separate licensing schemes the:
- Mandatory scheme relating to all Houses in Multiple Occupation (HMOs) that are three storeys or above with shared bathroom or kitchen facilities, where there are at least five people living in two or more households. The standard fee is £500 per lettable unit/room over 5 years (£100 pa) to a maximum of £5,000 per property, although there are exemptions for accredited landlords, early application and multiple landlords. This is a national scheme operated by all Councils, although the fees are specific to Lewisham.
 - Additional licensing relating to HMOs above commercial premises where there are at least three people living in two or more households, or poorly converted privately rented self-contained flats. This scheme has been operating since February 2017 and is Lewisham specific. The same fee regime is in place as above.

- 4.5 The reasons for adding an additional licensing scheme in Lewisham was because all available data highlighted that the poorest standards, conditions and hazards in the private rented sector are to be found in shared accommodation and within flats over commercial properties and data was available to support the case. The following sets out some of the results from this scheme as the work rolls out.
- 4.6 Below are tables to show the performance to date and the lessons we are learning from this process.

Table 1 shows the numbers of properties which have been licensed by year:

Date:	Number of licenced properties	Mandatory or additional
31 st March 2013	169	Mandatory
31 st March 2014	168	Mandatory
31 st March 2015	185	Mandatory
31 st March 2016	196	Mandatory
31 st March 2017	231	Mandatory

Table 2 shows in more detail performance over this 2017/2018 financial year to 1st October 2017:

	Numbers
Mandatory licensed properties	286
Additional licensed properties	45
Total Licensed properties (both mandatory and additional)	= 331
Total new draft licences issued awaiting compliance documents from landlords. (Landlords pay for a draft licence and then have to send in a number of compliance documents – like gas certificates. Once received an inspection visit is booked and a full licence is issued)	50
Licences still to be renewed from 01/11/2017 – 31/03/2018.	39
Properties identified by officers as HMOs on visits or where a licence application has been started by a landlord but not completed where there is a likelihood they are an HMO. A large % of these are either in the process/or in dispute.	(214)

These tables highlight the success that the PSHA is having finding and licensing HMOs, compared to previous years. The work that is underway is also bringing out some key lessons for the service, trialling different approaches, testing what works and what does not yield the desired outputs as well as identifying some areas where focus should be placed for campaigning more widely in the future or where an extension to licensing could be beneficial. The Agency are confident that the ambitious targets (summarised below) will be delivered both in this and the remaining 4 years of the project. However it should be recognised that it is very time intensive finding and licensing HMOs. More details will be provided at the meeting. Officers are delivering a robust and assertive response, backed up by legal action if necessary, and again that adds to the time and resources required.

The target was to identify and licence 4500 licensable units/rooms under the additional scheme. The number was estimated based on initial street surveys. This is a very ambitious target and would equate to around 1500 properties over the 5 year period which, with an average occupancy of additional HMOs of 3 lettable units/rooms per property, would require **300 new additional properties per annum for 5 years**. This is challenging, but every effort will be made to meet this.

The income target for 2017/18 of £362k is on track to be delivered.

4.7 Table 2 and some initial lessons learnt:

- Table 2 shows that there has been an increase of 55 mandatory licences over the 7 months from 1st April 2017 which is an increase of nearly 25% in the number of licensable properties in less than a year;
- As the additional licensing scheme is specifically targeted at HMOs above commercial premises and not all privately rented properties in an area or across the Borough as a selective licensing scheme would be, there is a much higher potential for “push-back” by landlords who dispute their properties fall within the conditions of the licensing scheme. This makes the work of the team very labour intensive focusing on proving the case, sometimes through Court rather than tackling disrepair and poor landlord practice.
- To identify small numbers of HMO there has been extensive visiting and database and on line research. The team are undertaking extensive visiting but for every 1000 properties visited officers only identify around 4.5% or 45 possible HMOs. Support through better data access is needed to help identify possible properties.

4.7 To support the delivery of the licensing programme officers are:

- utilising data from key data sources, including Council Tax and Waste Management. Unfortunately the data has not been that useful to our work and the success rate is the same with standard visits. However we have agreed to be part of the development of the data platform as part of the Housing Trailblazer which will pull data from a range of sources across the Council to highlight potential HMOs.
- utilising the GIS mapping system to identify privately rented accommodation around transport hubs; near colleges and above pubs as they are often sources of higher than average HMOs and as a way of identifying rented properties that are above commercial premises. A programme of visits are underway;
- introduced a programme of monthly street surveys targeting particular streets and visiting them over two - three days, flooding the area with enforcement staff. Officers are assertive about their requirement to get into property to inspect, and serve Notices on tenants immediately if they refuse access. Areas are selected based on data and research – and this is overlaid by substantial local knowledge within the team. In October the survey was focused on Telegraph Hill. The survey only uncovered 6 potential new licensable properties (4 mandatory and 2 additional) but it also uncovered 1 overcrowded hostel with 74 occupants and one hostel with 94 occupants with unsatisfactory fire precautions. A joint visit with the fire brigade resulted in the LFB serving a Notice to improve fire safety. The Council’s PSHA also served a Notice to remedy overcrowding and disrepair. If the owners do not comply this will be prepared for immediate prosecution.

Although this exercise yielded less than expected licensable HMOs, what was uncovered has helped potentially to improve and possibly save lives of private renters, especially in the hostels which were close to being closed down by the LFB. It also acted as an opportunity to link with key agencies, promote our work

and train new staff and the area has now been fully inspected to allow the team to move to other areas as all properties across the Borough will be visited.

Other possible extensions to the licensing scheme:

- 4.8 The Government have agreed to extend the existing Mandatory licensing scheme as set out in the Housing Act 2004, removing the three storeys or more criteria so that any HMO with five or more occupiers, regardless of how many floors, will fall within the scope of the mandatory licensing scheme. In addition, the Government intends to extend mandatory licensing to flats which are occupied by five or more occupiers/two or more households if it is in a converted building or where part of a building is used for commercial or other non-residential purposes.
- 4.9 It is estimated that the current proposals will make an additional 174,000 HMOs subject to mandatory licensing nationwide. Currently conservative estimates for Lewisham based on data from Council Tax and planning enforcement is between 400 – 500 two storey HMOs in Lewisham. This however is only an estimate and data from these sources has not been wholly reliable for the PSHA. Data is being collected now as part of the current visiting regime but until the scheme is up and running it is difficult to assess the potential. It is likely that the bulk of these additional properties will be found in the South of the Borough where there has been an issue of conversions of 2 storey properties into HMOs.
- 4.10 It is envisage that the proposal will be brought into force April 2018 (at the earliest). There will be a six month grace period for landlords to comply with the new requirements. Failure to obtain the correct licence after the end of the grace period would allow the local authority to initiate criminal proceedings with unlimited fines imposed on those found guilty of an offence and the possibility of rent repayment orders being made or fixed penalty notices of up to £30,000. However the Council's approach will be to work hard with landlords to apply and conform to the requirements of the new licensing scheme and only use the full force of the law and the penalties available to those landlords who have no intention of complying.
- 4.11 Like Lewisham, some other Boroughs have also introduced other additional or selective licensing schemes to tackle specific problem areas. The details of other Borough schemes can be seen at Appendix 1. Even with the new "below 3 storey" HMO extension scheme due next year Councils will still retain the ability to introduce other selective or additional licensing schemes if they meet the prescribed conditions. As our knowledge, experience and robust data collection expand and improve with both the current Mandatory and Additional licensing schemes then consideration could be given to proposing further extensions to target problem areas that are being uncovered.
- 4.12 Our current visit programme shows that there are pockets of poor housing across the Borough in selective areas, largely in the north of the Borough. There may be options, within existing resources, to target specific locations, building on the work of the street surveys to tackle the worst form of PRS housing in specific geographical areas. This could be done through the introduction of a targeted selective licensing scheme (which includes all rented accommodation not just HMOs) in a specific selected geographical area. Secretary of State approval would be needed if any selective licensing scheme is introduced that would impact on more than 20% of the Borough, but the work to date shows there is more of a need for a targeted response at a neighbourhood level for the best results.
- 4.13 The idea of introducing an "all-Borough" selective scheme was considered in 2015 but there was a lack of robust evidence to support the need to have this type of scheme. Data would be much more readily available at a more local level to support a targeted selective scheme. There is also a lack of support nationally and within

London for whole Borough schemes and therefore Government approval and sign off would be unlikely. If a targeted “selective” scheme that licensed all rented accommodation in an area was introduced this would:

- avoid current disputes with landlords on whether their properties comply.
- Tackle the many properties the team find that are in poor condition but not HMOs adding licensing to the enforcement tools available to the Council for non HMOs in specific areas;
- Support the aims of the Agency to work much more closely at a neighbourhood level with Councillors, Police, Tenants and local organisations as well as representatives from planning enforcement and the Crime, Enforcement and Regulation services who have an interest in specific neighbourhoods.

4.14 To take forward a proposed focused selective licensing scheme evidence would be needed from the data from the current visits; from existing Council systems like Council Tax, Planning Enforcement, Building Control and Waste Management; and from external sources like the Police and GPs to support the development of a robust business case. Work is underway to strengthen and consolidate enforcement work and data collection that would support the development of a business case.

If in addition to the current schemes a further targeted selective licensing scheme was introduced there are some issues that would need to be considered, including:

- The concern that costs will be passed onto tenants and will reduce supply of affordable rented housing;
- Any area selected would require an assessment on equalities grounds;
- Availability of resources;
- Introducing a selective scheme at the same time as a possible expansion of the mandatory scheme will impact on available resources.

4.15 The overarching aim of the existing private rented sector licensing schemes in Lewisham is to ensure those properties that are most “at risk” of poor condition where there are shared facilities or where they are above commercial premises are assessed within the licensing framework to ensure they at least meet the legal minimum standards around fire safety, repair and management standards. Any new scheme would need to meet that aim.

Further reports will be brought back to the Committee as this programme of work develops.

5. Rogue Landlords and Controlling Migration Fund:

5.1 Through previous funding from DCLG, Lewisham was at the forefront of the work on Rogue landlords within London, despite having very limited resources to deal with this problem. However as these resources further disappeared the work to tackle the worst criminal landlords operating in the Borough was reduced to what could be achieved by the enforcement team without dedicated officers. However the rogue landlord problem has not gone away.

5.2 At the end of the last financial year the DCLG offered additional - Controlling Migration - funding (CMF) to tackle rogue landlords across the capital to include all exploited citizens but also looking at recently migrated members of the community as they are often the most vulnerable and open to exploitation. The

funding was to be used to tackle landlords who often subjected tenants to horrendous living conditions, illegal evictions and excessive or illegal fees. The proliferation of properties which are run by criminals has wider spread negative impacts on the established resident community, often as a consequence of overcrowding and poor maintenance.

5.3 To tackle the problem of rogue landlords in the borough we have secured £200k funding from this pot for 2 years. The funding is to support the appointment of two specialist posts (Private Sector Housing Fraud and Intelligence Officer) one officer from a police background the other a lawyer as well as support for the London Wide London Lockdown partnership project. Officers have been working since July 2017, investigating reports of criminal activity as related to housing offences, preparing prosecution packs for our legal team to progress and to provide an immediate response where there are ongoing illegal evictions. The numbers of prosecutions have already increased with four new cases being referred to legal services for prosecutions since July, and two in the pipeline. That compares to two cases over the last 2 years. The numbers are small but the work to investigate and collate evidence for court is slow and time consuming. In addition to working on priority cases these officers also tackle around 20 cases of illegal eviction per month, resolving evictions where it is safe to get the tenant back into their home. These two posts will also be responsible for the improving the Council's understanding of the rogue landlord problem in Lewisham by maintaining the Rogue Landlord list of the worst offenders, working in partnership with other key departments and other Councils.

The main purpose of their role is to:

- track rogue landlords across the borough, utilising data that is already collected and adding new data and facts to build a comprehensive picture of the activities of the landlords.
- Develop a clearer picture of the rogue landlord problem (the true extent of the problem across the borough, risk factors, at risk groups, repeat offenders, understanding of interface with criminal activity such as running of cannabis farms or brothels;
- Fully utilise intelligence from as many local partners as possible and work collaboratively, sharing knowledge amongst local partners.
- Identify at risk occupants and work with internal teams, and partners to ensure that support and housing advice and options are provided, particularly in cases where criminal landlords are being prosecuted;
- Initially target 10 of the worst offending for in-depth investigation and prosecution where this is possible;
- Build case files for individual landlords specifically geared for successful prosecution.

A recent case study example of a prosecution file that has been referred to legal services from the rogue landlord team relates to a landlady who said that she was not letting out 2 windowless basement flats. On inspection the rooms were found to be clear although a Prohibition Notice was served. On a re-inspection in the early hours of the morning after obtaining a warrant, 8 people were found living in bunk beds in these small rooms. A summons has been served and the case is progressing to court.

A second case relating to a property in Downham involved a landlord trying to "persuade" a tenant to leave in order to upgrade property and re let to more affluent tenant at a much higher rent. The tenant had a long standing tenancy and was not willing to give up possession as they had no other option for housing. The landlord cut off the water and gas, and attempted to physically evict the tenant, during which the tenant was bitten on the arm. Police were called and tenant was reinstated. The landlord refused to attend a PACE interview and case has been presented for prosecution.

6. **Refreshing the Private Sector Housing Enforcement and Licensing Policy – Housing & Planning Act 2016:**

- 6.1 The Housing Enforcement services of the Council currently operate within the framework of the Private Sector Housing Enforcement and Licensing Policy as agreed in 2006. This policy has been refreshed to incorporate best practice and to maximise the opportunities provided by legislative changes contained in the Housing and Planning Act 2016 (although some powers are yet to be brought forward). The full draft Private Sector Housing Enforcement and Licensing Policy October 2017 can be made available on request.
- 6.2 This Housing and Planning Act 2016 includes some new powers and obligations introduced by the Government to tackle rogue landlords and improve standards in an increasingly important housing sector. The key proposed change relates to the introduction of Civil Penalty Notices (CPN) which are summarised below and at **Appendix 2** for Committee to consider before implementation.
- 6.3 Civil Penalty Notices (CPN). The powers conferred by the Housing and Planning Act 2016 (HPA 2016), allow local authorities to issue a Notice of the intention to impose a Civil Penalty of up to a maximum of £30,000, as an alternative to prosecuting offences under the Housing Act 2004. Currently cases that are presented to Court for breaches under the Housing Act are time consuming and expensive to administer. A successful prosecution may only result in the Council receiving the court costs and not the fine imposed. The CPN allows the Council to retain any financial penalties imposed for specific breaches of the 2004 Act, relating to landlords who, for example, fail to comply with Improvement or Overcrowding Notices, breaches of the HMO licensing conditions, or failure to licence. This income can be used to support the enforcement work of the team.

The process starts at the point where a formal intervention has taken place, so an Improvement or Overcrowding Notice has been issued for example in line with the Councils Enforcement Policy, and not complied with by the landlord. (The procedure for issuing a CPN is set out in Schedule 13A Housing Act 2004 and DCLG Civil Penalties Guidance under the Housing & Planning Act 2016).

There are 2 stages to issuing a CPN.

- Issue a Notice of Intent which gives the landlord/defendant 28 days to make representations;
- Issue a Final Notice which confirms the amount to pay, the reason for imposing the CPN and the period of payment. It also sets out the consequences of failing to reply and the rights of appeal to the First Tier Tribunal.

The work to prepare the case and present the case will sit with the Enforcement team in the Agency. There will be a decision making/adjudication process that sits within the legal team as it needs to be independent of the Agency and the enforcement service. The process for agreeing the issuing and awarding a CPN will be finalised with colleagues across the key services of Housing & legal services and the new CPN process launched early in the new year following consideration of this new power by Committee & Mayor & Cabinet.

CPNs cannot be imposed for unlawful eviction, harassment, or failure to comply with a prohibition notice.

The level of the penalty would be calculated based on a proposed matrix set out in the **Appendix 2**. This matrix is based on accepted best practice within the sector.

It is envisaged that the Council, would still submit cases for prosecution to the Criminal Court for the most serious or repeat offenders where it is agreed that a criminal prosecution is most appropriate.

As this policy potentially affects a number of landlords across the Borough support is sought from Members to submit a report to Mayor & Cabinet to get agreement to introduce Civil Penalty Notices into the toolkit for the Private Sector Housing Agency.

6.4 Other areas relevant to the work of the Agency include the creation of a National Rogue Landlord and Property Agent Database, that will sit alongside the London Mayors proposals and the extension of Rent Repayment Orders (RROs). The Act also introduces Banning Orders which can prevent an unfit person from being a landlord/letting agent, but the legislative detail is yet to be published. All the existing enforcement powers under the various Acts in use in the Agency remain in place. These tools below are additions to current Enforcement powers:

- National Rogue Landlord Database: A national database of rogue landlords and property agents has been introduced which is accessible to local and central government bodies. The database will include information on landlords who have been served with a banning order, convicted of a banning order offence, or have received two or more Civil Penalties Notices. There is ongoing consultations as to which criminal offences should be regarded as banning order offences and will therefore be included on the database. The database will also include details of any letting agents who persist in charging fees to tenants after the new regulations banning this activity come into force.
- Extension of Rent Repayment Orders (RROs): Tenants or the Council may apply to the First Tier Tribunal ((FTT) for the repayment of rent, either rent paid by the tenant or rent paid through Housing Benefit. Under the HPA 2016 tenants now do not need to rely on the local authority obtaining a conviction before they can make their own application for an RRO. The FTT would however need to be satisfied beyond a reasonable doubt that an offence has been committed if either a tenant or the Council made an application for a RRO. An application for a RRO can be made if there has been a breach of a key section of the Housing Act 2004 including failure to comply with a prohibition notice or breaches specifically relating to not having a licence, failure to comply with Notices relating to, for example, overcrowding or the issuing of management regulations. A RRO application can also be made for other legislative breaches committed by landlords and property agents that affect their tenants including the Criminal Law Act 1977 (S6(1) and Protection from Eviction Act 1977 (S1(2), (3) or (3A).
- Banning Orders: Local authorities are waiting for a legislative update following consultation. The aim of introducing banning orders is to rid the sector of the worst rogue landlords and as a result improve property and management standards within the private rented sector. They will also help local authorities to take robust and effective action against rogues who knowingly rent out unsafe and substandard accommodation.

Landlords subject to banning orders will also not be able to earn income from renting out housing or engaging in letting agency or property management work. Proposed banning order offences as outlined in the government consultation include:

- illegally evicting a tenant
- renting out a property decided to be unsafe as a dwelling by local authorities
- failing to carry out works required by local authorities to prevent health and safety risk to tenants
- renting out a property to an illegal migrant

- using violence, or threatening violence against a tenant
- making fraudulent applications for housing benefit, or committing identity theft
- using the property to cultivate cannabis
- theft or criminal damage
- colluding with the tenant to commit a criminal offence, such as tax evasion or the supply of illegal drugs.

Officers are waiting further advice from Government but are proposing to add this tool to the revised Enforcement policy after guidance is issued.

7. Empty Homes

- 7.1 Long term empty properties (those that have been empty for at least 6 months) are eyesore dwellings that are a cause of complaint and nuisance from neighbours and local communities, and are a priority for the Council. Empty Homes Grants are one of a range of options to help bring empty properties back into use for homeless families and these save the Council £10k per annum per letting for any property available as an alternative to B&B. Bringing empty homes back into use also helps the Council maximise its New Homes Bonus.
- 7.2 The number of long term (6 month empties) has increased to 16% from 812 in 2016/17 to 939 for 2017/18. The total number of dwellings in the borough has risen from 125,059 to 126,823 an increase of 1.41%. This amounts to 0.74% of the borough's housing stock. However Lewisham's percentage of empty properties remains in the lower quartile across London boroughs. Final confirmation of this is awaited from returns submitted to the Department of Communities and Local Government (DCLG).
- 7.3 The Empty Homes service is working on tackling six complex hoarding cases where the hoarding in these cases has forced the owners to abandon their dwellings and some have fallen into serious disrepair. There is a lot of cross-service partnership working, including with social care and liaison with the owners to help support clearance and property repair.
The pot of funding provided by the Greater London Authority (GLA) to bring empty properties back into use has come to an end.

8. Financial implications

- 8.1 The purpose of this report is to update members on the work of the Private Sector Housing Agency (PSHA), which includes progress on the implementation of the additional scheme introduced in February 2017. As such, there are no direct Financial Implications arising from this part of the report.
- 8.2 The report also provides a summary of the key policy changes and developments relevant to the Private Rented Sector (PRS) such as extending the mandatory scheme to remove the 3 story or more criteria and the introduction of selective targeting. Where necessary, the financial implications of each issue will be considered in specific reports as matters progress.
- 8.3 The first tranche of funding from the DCLG controlling migration fund has been received by the authority following a successful bid for additional resources. This will enable the authority to employ two officers to tackle rouge landlord issues.

9. Legal implications

The Housing and Planning Act 2016 (HPA) introduces new provisions which are intended to penalise unscrupulous and irresponsible landlords who fail to provide safe and healthy accommodation. These new provisions / powers include;

- Civil penalties of up to £30,000
- Extension of Rent Repayment Order
- Banning orders for most prolific offenders
- Database of rogue landlords/property agents
- Tougher fit and proper person test for landlords of licensed properties
- Sharing data on tenancy deposit schemes with local authorities.

The most significant of those listed above is the introduction of civil penalties. Section 126 of The Housing and Planning Act 2016 (which came into force on 10 March 2017), and amends the Housing Act 2004, allows financial penalties to be imposed as an alternative to prosecution for certain offences as set in Schedule 9 of the Act. Schedule 9 in turn amends the Housing Act 2004 including providing a new Section 249A which has the financial penalties as an alternative to prosecution. The details of the offences to which a civil penalty may be imposed are as set out in Appendix 2 referenced in paragraph 6.3

Unlike fines issued by the Courts when criminal prosecutions are taken, income received from a civil penalty can be retained by the local housing authority provided that it is used to further the local housing authority's statutory functions in relation to their enforcement activities covering the private rented sector. This means that any income received from civil penalties issued can be reinvested into carrying out more enforcement work to bring about further improvements within the private rented sector (PRS).

The Council's additional powers and duties under the Housing Act 2004, as amended by the Housing and Planning Act 2016, along with other relevant legislation are also set out in the body of this report.

The Equality Act 2010 (the Act) introduced a new public sector equality duty (the quality 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.

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.

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.

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/>

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

- i. The essential guide to the public sector equality duty
- ii. Meeting the equality duty in policy and decision-making
- iii. Engagement and the equality duty
- iv. Equality objectives and the equality duty
- v. Equality information and the equality duty

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. Crime and disorder implications

10.1 There are no crime and disorder implications arising from this report

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12 Environmental implications

12.1 There are no environmental implications arising from this report.

13. Originator

For further information please contact Madeleine Jeffery (Private Sector Housing Agency Manager) on Madeleine.jeffery@lewisham.gov.uk or 0208 314 9484.

Appendices:

- Appendix 1 = Other Borough Licencing schemes summary
- Appendix 2 = Civil Penalty Notices matrix

Appendix 1 – Summary of other Borough licensing schemes;

List of London Boroughs with Mandatory and Additional and/or Selective licensing schemes operating in all or part of their boroughs.

London Borough of Barking & Dagenham

Licence Overview - Additional, selective and mandatory HMO licensing schemes all apply borough wide

Camden

Licence Overview - No selective licensing in Camden but mandatory HMO and additional licensing schemes apply borough wide.

Croydon

Licence Overview - Mandatory HMO and selective licensing applies borough wide. There is no additional licensing scheme.

Ealing

Licence Overview - Mandatory HMO and additional licensing schemes apply borough wide. A selective licensing scheme covers part of the borough.

Greenwich

Licence Overview - No selective licensing in Greenwich but the mandatory HMO licensing scheme applies borough wide. An additional licensing scheme started on 1st October 2017.

Hammersmith and Fulham

Licence Overview - Mandatory HMO licensing applies borough wide. Additional and selective licensing schemes started on 5th June 2017

Haringey

Licence Overview - Mandatory HMO licensing scheme applies borough wide and additional licensing applies to part of the borough. There is no selective licensing scheme.

Harrow

Licence Overview - Mandatory HMO and additional licensing schemes apply borough wide. There is selective licensing in 2 wards. The council recently consulted on plans to extend selective licensing to another two Wards.

Havering

Licence Overview - No additional or selective licensing in Havering but the mandatory HMO licensing scheme applies borough wide.
An additional licensing consultation took place from 19 May to 28 July 2017.

Hillingdon

Licence Overview - No selective licensing in Hillingdon although mandatory HMO licensing applies borough wide and additional licensing applies to part of the borough.

Hounslow

Licence Overview - No selective licensing in Hounslow although mandatory HMO and additional licensing applies borough wide.

Islington

Licence Overview - Mandatory HMO licensing scheme applies borough wide and an additional licensing scheme applies to part of the borough. There is no selective licensing scheme.

Kingston Upon Thames

Licence Overview - No selective licensing in Kingston upon Thames although mandatory HMO and additional licensing applies borough wide.

Newham

Licence Overview - Additional, selective and mandatory HMO licensing schemes all apply borough wide. Are looking for a further 5 year extension to their selective scheme.

Redbridge

Licence Overview - Borough-wide additional licensing started on 13 April 2017 and a selective licensing scheme started on 13 July 2017. The mandatory HMO licensing scheme applies borough wide.

Southwark

Licence Overview - Mandatory and additional HMO licensing applies borough wide. There is a smaller selective licensing scheme that covers part of the borough.

Tower Hamlets

Licence Overview - No additional licensing in Tower Hamlets but the mandatory HMO licensing scheme applies borough wide. A selective licensing scheme covers part of the borough.

Waltham Forest

Licence Overview - There is no additional licensing scheme but selective and mandatory HMO licensing schemes both apply borough wide.

Please note any London borough that has not been included on this list is only taking part in the national Mandatory HMO licensing scheme

Appendix 2 – Civil Penalty Notices – proposed charging matrix

Culpability

		Very High	High	Moderate	Lesser
Harm	Very Serious	Range 15k-30k Starting point: 25k	Range 15k-30k Starting point: 20k	Range 8k-18k Starting point: 13k	Range 5k-10k Starting point: 7.5k
	Serious	Range 15k-30k Starting point: 20k	Range 8k-18k Starting point: 13k	Range 5k-10k Starting point: 7.5k	Range 3k-6k Starting point: 4.5k
	Moderate	Range 8k-18k Starting point: 13k	Range 5k-10k Starting point: 7.5k	Range 3k-6k Starting point: 4.5k	Range 1k-4k Starting point: 2.5k
	Lesser	Range 5k-10k Starting point: 7.5k	Range 3k-6k Starting point: 4.5k	Range 1k-4k Starting point: 2.5k	Range £250-1.5k Starting point: £750

- The process starts at the point where a formal intervention has taken place, so an Improvement or Overcrowding Notice has been issued for example in line with the Councils Enforcement Policy, and not complied with by the landlord. (The procedure for issuing a CPN is set out in Schedule 13A Housing Act 2004 and DCLG Civil Penalties Guidance under the Housing & Planning Act 2016).
- There are 2 stages to issuing a CPN.
 - Issue a Notice of Intent which gives the landlord/defendant 28 days to make representations;
 - Issue a Final Notice which confirms the amount to pay, the reason for imposing the CPN and the period of payment. It also sets out the consequences of failing to reply and the rights of appeal to the First Tier Tribunal.
 - The work to prepare the full details of the case and present it to panel will sit with the Enforcement team in the Agency. There will be a decision making/adjudication process that sits within the legal team as it needs to be independent of the Agency and the enforcement service. The process for agreeing the issuing and awarding a CPN will be finalised with colleagues across the key services of Housing & legal services and the new CPN process launched early in the new year following consideration of this new power by Committee & Mayor & Cabinet.
- The 4 categories of harm will be assessed against the 4 categories of harm which are based on the Housing Health and Safety Rating System (HHSRS). This assessment tool is used by all enforcement and licensing officers. The seriousness of the outcome “harm” on the vertical axis collates with the seriousness of the landlord/defendant’s conduct “culpability” on the horizontal axis to produce the starting point. The starting point will be adjusted following consideration of specified “matters to consider” which are contained

within the main DCLG Guidance document (para 3.5), and listed below. CPNs can move between bands if case is unusual

- The harm caused to the tenant;
 - Punishment of the offender;
 - Deter the offender from repeating the offence;
 - Deter others from committing similar offences;
 - Prevent the offender from benefitting financially;
 - Offender's previous history;
 - Severity of offence;
 - Whether offender admits or denies offence;
- The CPN can be registered as a judgement debt and can be enforced through the County Court.
 - This matrix is based on accepted best practice within the sector.

CPNs cannot be imposed for unlawful eviction, harassment, entry with violence or failure to comply with a prohibition notice. It is envisaged that the Council, would still submit cases for prosecution to the Criminal Court for the most serious or repeat offenders where it is agreed that a criminal prosecution is most appropriate.

Copies of the full draft processes are available on request from
Sean.Longley@lewisham.gov.uk

<https://www.gov.uk/government/publications/civil-penalties-under-the-housing-and-planning-act-2016>

This page is intentionally left blank

Housing Select Committee			
Title	Housing Zones	Item No	7
Contributors	SGM Capital Programme Delivery		
Class	Part 1	Date	9 th November 2017

1. Purpose of Paper

- 1.1 To provide the Housing Select Committee a general background to the Mayor of London's Housing Zone Programme and a specific update on the two designated Housing Zones in the borough.

2. Recommendations

- 2.1 The Select Committee is asked to:
 - note the content of the report

3. Background - Housing Zones

- 3.1 In August 2014 the Department for Communities & Local Government (DCLG) and the GLA announced their plans to create twenty 'Housing Zones' across the capital. The aim of Housing Zone designation for an area is to boost the housing supply in London by unlocking and accelerating housing delivery through a range of planning and financial measures/interventions.
- 3.2 The Government and the GLA jointly committed a total of £400m of funding for the initial twenty zones. Half of the funding (£200m), was made available in the form of loan funding which is accessible to private sector organisations only. The remainder of the funding was available in flexible funding forms, including grant funding. The Housing Zone process seeks to encourage co-operation between local authorities, central government and developers.
- 3.3 New homes developed in Housing Zones are expected to be geared towards meeting a range of housing need and address the affordability challenge currently facing many Londoners. This requires a mix of open market homes that are affordable for Londoners with an obligation, where possible, to prioritise the sale of individual homes to Londoners purchasing for owner-occupation. It also includes new long term market rent homes, as well as affordable homes for rent and low cost home ownership.
- 3.4 The GLA identified Opportunity Areas as 'ideal candidates' for Housing Zone designation. Opportunity areas are often (but not always) places with relatively low land values, sometimes with an historic industrial use, and are usually characterised by some form of market failure that requires substantial intervention. Whilst identified as challenging they can provide opportunities for

the public and private sector working collaboratively to regenerate areas and create new neighbourhoods and places. It is envisaged that through Housing Zone designation some of the challenges identified could be addressed unlocking schemes and accelerating the delivery of the planned housing.

- 3.5 In addition to investment, Housing Zones are designed to offer focused, planning, place-making and intensive engagement with a wide range of delivery partners important to delivery of housing such as utility companies, Network Rail and Transport for London.
- 3.6 The initial aim was to create twenty Zones in London and build 50,000 new homes by 2025. Due to the success of the first phase in securing commitments for approximately 53,000 new homes in London (with approximately a third being affordable housing), a second phase of the programme was launched in 2015 taking the total number of Housing Zones to 31 and a target housing provision of 75,000 new homes. The programme is also designed to provide 150,000 associated jobs in the course of the 10 year delivery programme.
- 3.7 The eligibility criteria for an area to be designated a Housing Zone include but is not limited to the following:
 - A Housing Zone must (except in exceptional circumstances which must be clearly justified) include a minimum of 750 housing units.
 - A Housing Zone can consist of one or more sites.
 - The majority of the Housing Zone must be on brownfield land.
 - Must either include a bid for investment funding from one or a number of private sector partners.
 - Details of how the planning requirements for the Housing Zone will be implemented.
 - Include reference to how good design will be achieved.
 - Demonstrate an expeditious delivery of housing.
- 3.8 The full DCLG prospectus on Housing Zones; what the programme supports; types of support or funding available; the eligibility criteria; scheme prioritisation and assessment criteria are contained in the DCLG Prospectus on Housing Zones attached as appendix 1.
- 3.9 There are currently two Housing Zones in Lewisham: New Bermondsey (former Surrey Canal Road Triangle) and Catford Town Centre. A brief summary on both schemes is provided in sections 4 and 5 below.

4. New Bermondsey Housing Zone

- 4.1 The GLA raised the opportunity to bid for Housing Zone designation with Council's Strategic Housing team following the announcement in August 2014

and identified the potential of the New Bermondsey regeneration scheme as a possible candidate for designation.

- 4.2 Following further consultation with the GLA, the developer (Renewal) and officers in Strategic Housing, Planning and Regeneration it was agreed that the New Bermondsey site met the criteria for Housing Zone and could benefit from designation to bring forward the delivery of housing and infrastructure on the site.
- 4.3 A bid was submitted to the GLA on the 30th September 2014 and in February 2015, the Mayor of London announced that the New Bermondsey Regeneration programme has been designated Housing Zone status. As one of the first Housing Zones, the site was recognised as a key development in London and as one of the few regeneration projects that has the capacity to deliver homes for Londoners faster by accelerating the development programme.
- 4.4 Following the Housing Zone designation, the GLA allocated in principle funding of £20 million towards delivery of key infrastructure associated with the scheme, including the new Overground Station at Surrey Canal Road.
- 4.5 The GLA initially proposed that the allocated sum would be advanced to Renewal as loan funding. In a revised approach, however, the GLA now proposes that a grant agreement (known as a Borough Intervention Agreement) is entered into between the Council and the GLA whereby the GLA will provide grant funding of approximately £12 million which will be passed by the Council to TfL with a requirement that TfL deliver the new Overground Station at Surrey Canal Road and open it within a set period. The balance of the £20 million allocation will remain available for Renewal to take up through a second intervention.
- 4.6 A clear benefit of this approach is that as the new station will now be grant funded, this enables the sum which would otherwise be paid by Renewal towards the new station to be applied to the provision of additional affordable housing within the scheme. Thus, not only will the GLA's current funding approach allow early delivery of the station and development of the first two phases of the scheme (Phases 1A and 2) to proceed ahead of schedule delivering 532 new homes, it will also secure delivery of more additional affordable homes than were originally to be provided within the scheme.
- 4.7 The exact quantum of additional affordable housing to be delivered as a result of this approach would form part of revised S106 for the scheme.
- 4.8 Progress of the scheme is on hold until the Dyson inquiry into New Bermondsey is concluded.

5. Catford Town Centre Housing Zone

- 5.1 On 17th February 2016 the Mayor approved a report which recommended that the council should submit a bid to the GLA for Housing Zone support for the Catford town centre regeneration programme.

- 5.2 The bid was submitted for the GLA's consideration and set out a case for how GLA grant support could help stimulate the delivery of housing in the town centre and enhance overall deliverability.
- 5.3 In line with the funding guidelines the bid sought funding of £40 million to support three important areas; provision of affordable housing, enhancing town centre flood resilience, improvements to the train station environment and the Catford arrival experience.
- 5.4 In March 2016 the GLA announced that Catford had been awarded an indicative allocation of £30 million made up of £27.2m affordable housing grant, £1.3m for rail station arrival space and £1.5m for flood alleviation, The allocation of affordable housing grant was later revised down to £19.6m following identification of an error in the GLA's understanding. Whilst the final grant was lower than requested it is a sizeable contribution towards delivery of the regeneration programme and will have a marked effect on what can be delivered.
- 5.5 Officers have been reviewing the funding agreements provided by the GLA and have met to discuss protocols and timescales for agreeing these. The agreement is split into different sections which are entered into sequentially once sufficient information is available on the scheme. The first agreement that the Council must enter into is an Overarching Borough Agreement. This sets out the general principles upon which it has been agreed that Housing Zone funding is to be made available by the GLA and is superseded in due course by the individual Borough Intervention Agreements that are then subsequently entered into between the parties. The OBA is in the process of being completed currently.
- 5.6 Prior to any funding drawdown the Council must enter into a Borough Intervention Agreements (BIA). Each BIA will set out the detailed terms and conditions upon which specific amounts of funding will be advanced to the Council by the GLA and the outputs which we must commit to delivering in return. The Council is not formally bound to deliver these outputs until the BIA is entered into and funding advanced.
- 5.7 A significant part of the Housing Zone grant for Catford is aimed as supporting the scheme to deliver a greater percentage of affordable housing. However, certainty on specific housing outputs from the redevelopment of key sites in the town centre will not be known until the design is sufficiently advanced. It is likely that subsequent Borough Intervention Agreements will not be entered into until planning approval for each development phase has been achieved.
- 5.8 Discussions on the form of affordable housing to be delivered through the grant support will be continued with the GLA as plans for redevelopment are advanced and as the housing priorities of the new Mayor of London become clear. The Council will continue to seek that new affordable housing clearly meets the housing needs identified by the borough.

For further information please contact: Kplom Lotsu, SGM Capital Programme
Delivery Ext: 49283

This page is intentionally left blank



Department for
Communities and
Local Government

Housing Zones

Prospectus

© Crown copyright, 2014

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This document/publication is also available on our website at www.gov.uk/dclg

If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/CommunitiesUK>

August 2014

ISBN: 978-1-4098-4309-2

Contents

Ministerial Foreword	4
Introduction	5
Eligibility criteria	7
How will eligible schemes be prioritised?	10
Housing Zone funding - further Information and the assessment Process	11
Who do I submit my application to?	13
Annex A – Interest Rates for Loans	15
Annex B – Expression of interest – evidence required for local authority bid for Housing Zone designation	17
Annex C – Expression of interest – evidence required for Housing Zone Funding	19
Annex D – Due Diligence – Know your Customer requirements	20

Ministerial foreword

We've got lots of the essentials in place to get more houses built. We've got plenty of talented planners, developers, builders and crucially, plenty of demand.

Local authorities need to get on with the job, which is why this prospectus for Housing Zone funding will help them.

We want Housing Zones to be areas where we can speed up and simplify the process of house building on brownfield land through locally led partnerships.

London has already made a start with their prospectus, and the Mayor of London has described it as 'turbo-charging house building.' I want to see the same response to this challenge around England, whilst protecting our valued countryside.

There is enough brownfield land to deliver up to 200,000 new homes across the country. We need to seize this opportunity.

But this will only work with cooperation - partnerships between local authorities, government and developers with everyone making a contribution. Creating a "something for something" deal will deliver much needed new housing and breathe new life into our towns and cities.

And I want to build on what has already been achieved. In the last financial year planning permission was granted for 216,000 new homes in England. Housing starts are at their highest level since 2007 and we have already delivered more than 445,000 new homes since April 2010.

But we want to go further still. That's why we are now making £200 million of Housing Zones funding available across England, on top of the £200 million we've made available in London. This prospectus sets out how local authorities outside London can apply for brownfield land to be designated as a Housing Zone, working with a private sector developer.

You may already have a site in mind, or perhaps you think this is a great opportunity to ease housing pressures in your community. Whatever the reason, I hope you will put in an application for a Housing Zone and start to think about all it can help you achieve.



**The Rt Hon Eric Pickles MP,
Secretary of State for Communities and Local Government**

Introduction

1. The government has announced plans to create 30 Housing Zones on brownfield¹ sites across the country as part of our efforts to increase housing supply. This prospectus sets out more detail of the funding and bidding process to create Housing Zones outside of London. A London [Housing Zones prospectus](#) has been published by the Mayor of London and formally invites bids from London Boroughs.
2. Brownfield land can have a vital role to play in meeting the country's housing needs where the land is in an area of sufficient demand and is attractive to developers. We know that there is suitable brownfield land to accommodate planning permissions for up to 200,000 new homes². Schemes on this land could be ready to go but are being held back by the high upfront capital that is needed. This is where the availability of investment funding can unlock development. It is only by working in partnership – local authorities, private developers and central government - that we can take up the opportunity this provides to deliver the homes that are needed.
3. The introduction of Housing Zones is a chance to break down some of the barriers that are holding back development. Housing Zones are an opportunity for local authorities to set out a vision for the transformation of large brownfield sites locally, and through the support government is offering, take the lead in realising that vision in partnership with private sector developers. We want to see “something for something” deals with the local authority making a financial and/or resource contribution.
4. The best outcomes are delivered where partnerships between the public and private sectors are strong and both sides are committed to delivering change and finding new ways of working. This prospectus asks for local authorities and developers to come forward in partnership - local authorities are invited to submit expressions of interest which will request a Housing Zone is designated and contain a bid for funding from a private developer.
5. The Housing Zones programme offers the chance to unlock brownfield land that has the potential to deliver viable housing schemes through a combination of long term investment funding, planning simplification (e.g. local development orders), local authority leadership, dedicated brokerage support from central government and ATLAS planning support. Central government is making available £200m of recoverable investment funding for Housing Zones in England outside of London. Local authorities who submit successful proposals for Housing Zones will also have access to cheaper borrowing at the Public Works Loan Board's project rate for capital infrastructure expenditure relating to the Zone in 2014-15 and 2015-16. No decisions have yet been taken on the access to cheaper borrowing in subsequent years.

¹ Reference should be made to the definition of previously developed land in the National Planning Policy Framework

² Data based on local authority returns to the Department for Communities and Local Government in 2010 (National Land Use Database).

6. Investment funding will usually be in the form of a **loan** with an appropriate interest rate applied in accordance with the State Aid matrix (see Annex A for details), and applicants for funding should familiarise themselves with the HCA's 'Know Your Customer' requirements, which are detailed at Annex D. Other forms of investment, including equity, will be considered if necessary in order to maintain flexibility and enable bespoke packages of support to be developed where needed, provided the investment is state aid compliant.
7. Local authorities putting forward proposals for Housing Zones also have the opportunity to put forward a bid for the £5m [local development order incentive fund](#) and will benefit from the preference given to bidders who are participating in wider strategic initiatives.
8. Expressions of interest in establishing a Housing Zone are encouraged which include schemes that make use of offsite construction and different forms of custom-build homes. The government wants to help more people to build their own home and has launched a [Custom Build Serviced Plots Loan Fund](#) to help custom builders secure a suitable building plot for their projects. Housing Zones provide a real opportunity to facilitate different types of custom build housing at scale where there is local demand. A scheme can receive funding from both the Housing Zones fund and from the Custom Build Serviced Plots Loan Fund but the funding applications must be for different cost elements.
9. We particularly encourage expressions of interest to create Housing Zones on brownfield land in urban areas. DCLG brokerage support can be used to help resolve any specific issues that may exist on such sites.
10. Housing Zones can include more than one site and we would encourage local authorities and developers to think creatively about what sites may be suitable.
11. Local authorities are encouraged to consider whether site(s) they intend to bring forward as potential Housing Zones and which contain Housing Revenue Account land, may be strengthened by a separate bid to the [Housing Revenue Account Borrowing Programme](#) for additional borrowing flexibility to increase the supply of new affordable rent and affordable home ownership homes. A second round of bidding to this programme has recently been announced for schemes where additional borrowing is needed in 2016/17. The deadline for bids is 30 September. Enquiries about the Housing Revenue Account Borrowing Programme should be sent to HRABorrowing@communities.gsi.gov.uk
12. Funding for the Housing Zone programme will be available over three years (2015/16, 2016/17 and 2017/18). Subject to the expressions of interest received we *may* retain some of the investment funding for allocation at a future date.
13. This prospectus sets out the arrangements for local authorities to submit expressions of interest that (a) request that an area of majority brownfield land is designated as a Housing Zone and (b) include a bid for investment finance from private sector development partners to enable housing schemes to be unlocked or accelerated. We also welcome expressions of interest for sites to be designated as a Housing Zone

where the local authority considers that the site(s) can be developed without funding to a private sector development partner from central government.

14. This prospectus sets out the support package that is on offer to successful Housing Zones. In short the designation of a Housing Zone provides the following benefits:

- ***Access to Housing Zone recoverable investment loan funding of £200m to enable delivery of the infrastructure, including, where needed, demolition and land remediation work, which is needed to get house building underway and/or other site preparation works that will support economic growth. The use of funding, for example for schools, community facilities and energy infrastructure when they are needed to directly unlock house building will be considered (for which applications are sought through this prospectus).***
- ***Priority access to ATLAS expert planning and technical support and advice to help schemes progress from conception through to planning consent. More information on the range of support which ATLAS can provide is available on the [HCA's website](#).***
- ***Increased priority for bids to the local development order incentive fund***
- ***Successful schemes will also benefit from dedicated brokerage support from central government to help remove barriers that are preventing schemes from moving forward.***
- ***Local authority access to cheaper borrowing at the Public Works Loan Board's project rate for capital infrastructure expenditure relating to the Housing Zone in 2014-15 and 2015-16.***

15. Bidders are requested to confirm the specific package of tailored support that is required in their expression of interest.

Eligibility criteria

16. Expressions of interest will in most cases consist of two elements – a request from a local authority for an area to be designated as a Housing Zone and a bid for investment funding to be paid to one or a number of private sector development partners.

17. We will accept expressions of interest from local authorities who wish only to request a site or sites are designated as a Housing Zone, but do not require investment funding. In such cases the local authority will be expected to demonstrate how the Housing Zone will lead to accelerated housing development without investment funding, and provide details of the site(s) it intends to take forward.

18. Expressions of interest will not be accepted if specific sites have not been identified.

Element one – designation as a Housing Zone

19. To be eligible for designation as a Housing Zone a bid must comply with the following terms:

- Proposals for a Housing Zone must (except in exceptional circumstances which must be clearly justified) include a minimum of 750 housing units. Generally we would expect the size of Housing Zones to be between 750 to 2,000 units but there is no firm upper limit and so schemes of over 2,000 units are eligible to bid.
- A Housing Zone can consist of one or more sites. A clear rationale for combining the sites within one Housing Zone must be provided with the need to demonstrate strategic connections.
- The majority of the Housing Zone must be on brownfield land.
- The bid for designation must either (a) include a bid for investment funding from one or a number of private sector partners or (b) confirm that the local authority only wishes to apply for Housing Zone designation and provide a development proposition that will be delivered without government investment.
- Provide details of how the planning requirements for the Housing Zone will be implemented. This should set out how the planning process will be delivered at speed to support the development. This could be through a number of routes e.g. under planning performance agreements, outline planning permissions being in place or proposals to pursue local development orders. Local authorities are asked to confirm if they are submitting a bid to the £5m [local development order incentive fund](#) which relates to a Housing Zone proposal.
- The bid should also include reference to how good design will be achieved and proposals which include preparation of a design code are encouraged.
- Housing Zones must lead to the expeditious delivery of housing. There should be an accelerated build out rate proposed on site, taking account of the assessed need for new housing locally.
- Local authorities must be able to provide evidence that a robust plan for the delivery of housing is in place or (if funding is being sought) will be in place before funding is allocated.
- Demonstrate that the local authority has the capacity (resources and skills) to deliver the Housing Zone.
- Demonstrate that there is local support for a Housing Zone (e.g. the area is allocated for housing development in a neighbourhood plan or local plan).
- Local authorities can submit expressions of interest for more than one Housing Zone.

- Joint bids from two local authorities for a cross-boundary Housing Zone will be considered. Such expressions of interest should identify the lead local authority who should submit the bid.

Element two – application for investment funding

20. To be eligible for funding as a Housing Zone a bid must comply with the following terms:

- Be submitted as part of an eligible bid from a local authority for an area to be designated as a Housing Zone and contain confirmation from each private sector development partner that the organisation is submitting a request for investment funding.
- Funding will be provided on a recoverable basis (with funds returned to the Homes and Communities Agency). An appropriate rate of interest will be applied (see Annex A for details).
- Appropriate security for the investment should be in place.
- All investments will have to be State Aid compliant.
- Funding requests must be for capital expenditure in infrastructure (which can include demolition and land remediation work which is needed to get house building underway) and/or other site preparation works that will support economic growth. The use of funding in other areas such as for schools, community facilities and energy infrastructure when they are needed to directly unlock house building will be considered.
- Private sector development partners must confirm that the project is fundamentally viable; they can support the repayment and have the consent of any existing lenders to access additional finance from this fund.
- Total public funding (including funding from other public sources) for each scheme that the infrastructure is serving must be below 50% of total project costs across the life of each scheme.
- The private sector development partner must be able to demonstrate a robust delivery plan as part of their investment proposal. This should include showing how additional funding will accelerate development beyond the normal anticipated rate of development.
- Schemes must ultimately lead to the development of housing, with the link between the works to be funded and the ultimate delivery of housing made clear through the investment proposal.
- The private sector development partner must demonstrate that they have the capacity (resources and skills) to deliver each scheme.

21. Expressions of interest must be submitted to the Homes and Communities Agency by noon 3 October 2014. Expressions of interest will be considered and prioritised by the Homes and Communities Agency in line with the criteria detailed in this prospectus.

How will eligible schemes be prioritised?

22. Schemes which satisfy the stated eligibility criteria will be prioritised as follows.

Requests for designation as a Housing Zone

23. Expressions of interest for designation as a Housing Zone will be prioritised based on the following:-

- a) The extent to which designation as a Housing Zone will accelerate housing delivery and maximise regeneration opportunities.
- b) The percentage of the Housing Zone on brownfield land.
- c) Commitment to delivering high quality housing quickly, including through offsite construction, and innovative approaches to delivery, such as through custom build and use of design codes.
- d) Alignment with local priorities for housing and economic growth.
- e) Evidence of a “something for something” deal where the local authority is also making a financial and/or in kind contribution, for example land, to the Housing Zone.

24. Where a bid for designation as a Housing Zone is submitted alongside a capital bid, decisions on both bids will be aligned. An area will not be designated as a Housing Zone if a bid for funding is submitted and is not successful, or the sites put forward are not considered viable.

Housing Zones Fund

25. Expressions of interest for funding will be assessed on a site basis and prioritised based on the following:-

- a) The clarity of the link between the requested investment in infrastructure and homes delivered.
- b) The greatest prospects of quantified early delivery.
- c) The greatest acceleration of housing delivery.
- d) The impact in terms of amount requested and number of homes delivered.
- e) The greatest prospects of investment recovery with an identified repayment mechanism in place.
- f) The capacity (resources, skills) of the provider(s) to deliver the project, and the knowledge of the provider(s) of site issues.

26. The Homes and Communities Agency will consider its overall exposure on a portfolio level during the prioritisation of requests for funding and reserves the right to manage this exposure accordingly.

Housing Zone funding – further information and the assessment process

Expression of interest stage

27. Bids for Housing Zones designation and capital loan finance must be submitted by noon 3 October 2014 using the online expression of interest form available through the Homes and Communities Agency [Partner Portal](#). Applicants must be able to demonstrate clearly that they can meet the requirements set out in this prospectus, and indicate the amount of funding they are bidding for. **Capital funding will only be made available to private sector partners.**
28. Any expression of interest for capital funding on each scheme must be submitted by a local authority on behalf of a private sector development partner as part of their request to be designated as a Housing Zone. We would expect evidence of demonstrable support for the scheme from local communities.
29. A local authority can put forward multiple bids and a private sector developer can be a partner to more than one bid (with the same or different local authorities). Each bid must individually comply with the criteria and requirements set out in this prospectus. Applicants should note that the Homes and Communities Agency will be seeking to manage exposure at a portfolio level and the Agency's decision is final.

Shortlisting stage

30. The Homes and Communities Agency will assess applications for Housing Zone status as detailed in the prospectus, with the designation of a Housing Zone determined jointly by the Agency and the Department for Communities and Local Government in line with the prioritisation criteria. Bids for funding will be assessed by the Homes and Communities Agency against the requirements set out in this prospectus, with bids prioritised in line with the above stated prioritisation criteria.

Due diligence stage

31. All shortlisted schemes which include a bid for investment funding will then undergo a technical due diligence review carried out by the Homes and Communities Agency to test value for money of the proposition and the ability of the bidder to pay back the loan. Applicants will need to satisfactorily complete the due diligence process and demonstrate that their scheme offers the best value against the investment criteria before funding is awarded. This includes an initial due diligence process that will confirm that the shortlisted bids are able to meet the programme investment parameters. Each bid will be required to go through this process before detailed due diligence commences.
32. The due diligence review will, in broad terms, consider the following:-
 - What **alternative sources of funding have been explored?**

- The **level of funding** that is appropriate – consideration will be given to the minimum amount of public funding necessary for the scheme to get under way and might be less than the funding sought. It is expected that the private sector will be funding other scheme costs and, other than in exceptional circumstances, total public funding (including funding from other public sources) will comprise a maximum 50% of project costs.
- Appraise the scheme's **financial, commercial and market position** and its ability to generate income to pay back the investment at a later date.
- The **ability of the loan recipient to re-pay the loan and interest** – it is a requirement that all loans will be repaid with interest. An assessment will be made of the ability to deliver against an agreed start on site, house sales programme and re-payment schedule to correspond with this. Clear recovery schedules will be put in place with a longstop payment date by which point the loan is expected to be paid back in full. The terms of the loan will reflect sensible commercial expectations for site build out.
- The **private sector development partner's financial standing** – bids will be expected to provide up to date accounting and other financial information and an assessment will be made of the private sector development partner's track record of paying back investments along with their overall credit rating.
- The **level of loan security** required – loans will not be given without appropriate security being in place to assure its re-payment. Examples include a legal charge, parent company guarantee, performance bond or personal guarantee.
- The **deliverability** of both the infrastructure and the wider project over the required timescales.
- The **legal due diligence** will include, as a minimum, the provision by the private sector development partner of a fully completed Certificate of Title. (This requirement will also apply to the local authority if local authority land is included within the proposed Housing Zone). This will be required for the site(s) (in its entirety) that the funding is to be provided for and any other site(s) over which the Agency is to receive security. Private sector development partners should also be prepared to provide details of any other senior lending at the beginning of the due diligence process.
- Private sector development partners should note that, if shortlisted, they will be required to provide the certificate of title and detailed information regarding any existing finance arrangements in the first instance.

'Know Your Customer' requirements:

33. The Homes and Communities Agency will require sufficient information to satisfy its 'Know Your Customer' requirements. This includes, but is not limited to, the provision of appropriate financial accounts and evidence of any funding lines available to the private sector development partner. Where the private sector development partner is a consortium the Agency will require full details of the consortium structure and accounts information for each of the consortium members. Further details on the initial information that will be required at due diligence are included at Annex D.

34. A due diligence pack will be issued to all shortlisted private sector development partners which will contain greater detail than summarised here.

Contract stage

35. Schemes that pass the due diligence stage will enter into formal negotiations to contract terms before finance is issued.

36. The interest rate on any loan will be calculated with reference to the European Commission Reference rate plus a margin calculated on the basis of an assessment of creditworthiness and collateralisation. The Homes and Communities Agency will consider the interest rate that can be offered for a loan based on individual project circumstances at the due diligence stage (see Annex A). This will take into account the credit rating of the private sector development partner and the level of security being offered for the loan.

Management and Monitoring

37. A number of reporting obligations will be included within the contract to allow the appropriate monitoring of the investments. This shall include scheme specific financial and delivery related information, typically on a monthly basis. In addition, corporate level information may be required from the contracting parties throughout the term of the investment.

Who do I submit my application to?

38. Applications are to be submitted online via the Homes and Communities Agency [Partner Portal](#).

39. All expressions of interest covering both requests for designation as a Housing Zone and bids for funding should be submitted to the Homes and Communities Agency by noon 3 October 2014 using the guidance in the annexes. The expression of interest form must be accompanied by an Outline Delivery Plan to provide detail on the overall ambitions and delivery structure for the Housing Zone. In addition, an Investment Proposal should be attached outlining the delivery plan for the sites for which funding is requested, with a Development Proposal used for sites where funding is not being requested.

40. Further information is included at annex B, and template documentation will be made available on [GOV.UK](#). These documents must be completed as appropriate and uploaded for submission via the partner portal (see application guidance for further details).

41. Guidance on the application process and completing your online submission will be made available on [GOV.UK](#).

Further information

42. For further information, please contact the Homes and Communities Agency at: Housing.Zones@hca.gsi.gov.uk or visit and search for Housing Zones at [GOV.UK](https://www.gov.uk).

Interest rates for loans

Based on European Commission guidance on calculating a “market rate” margin and the current European Commission Reference rate (0.88% at 01/04/14) as a variable base rate, loans can be offered at initial rates of interest from 1.48% to 10.88% (please see the matrix below). This is based on our assessment of the creditworthiness of the bidder and the collateral offered

Collateralisation		High	Normal	Low
Credit Worthiness	Strong	1.48	1.63	1.88
	Good	1.63	1.88	3.08
	Satisfactory	1.88	3.08	4.88
	Weak	3.08	4.88	7.38
	Financial Difficulties	4.88	7.38	10.88

These rates are illustrative and represent the minimum rates available depending on the categorisation of creditworthiness and collateralisation at the time of publication. Final offered rates may be in excess of those illustrated dependent on individual circumstances.

Creditworthiness

Where private sector development partners have a rating from a recognised credit rating agency this will be used. Where the private sector development partner does not have an external rating, its creditworthiness will be reviewed at due diligence. This involves an assessment of the private sector development partner’s financial standing and the risks associated with lending to that business - likelihood of default (encompassing both capacity and willingness to pay) is an important factor. Considerations may include:

- Financial analysis - profitability, net asset position/balance sheet strength, gearing, etc.
- Assessment of the trading history/development experience of a borrower - evidence of a “track-record” of delivery.
- The ability of the borrower to service the loan (interest and capital when required under the legal agreements) in the context of its existing commitments.
- Accounts, credit-checks, references - leading to an overall profile of a borrower.
- Benchmarking against peer companies.

Collateralisation

This considers the security offered for the loan and the amount that the lender could expect to lose in the event of default. This will involve an assessment of the amount that could be recovered from the project, the security offered and also from the private sector development partner’s balance sheet. We will require satisfactory demonstration of ability

to repay the loan from the scheme cash flow and adequate security (supporting the level of proposed borrowing) to minimise its loss in a default scenario (e.g. a legal charge, parent company guarantee, performance bond, personal guarantee).

Shortlisted bids which clearly demonstrate satisfactory ability to repay the loan along with offering appropriate security will be treated as having “Normal” collateralisation. Should the collateral offered justify a different categorisation, this will be taken into consideration in the interest rate offered.

Expression of interest - evidence required for local authority bids for Housing Zone designation

Applicant information:

- Submitting organisation contact details (if applicable)
- Applicant name and full contact details
- Confirmation that prospectus has been read and understood
- Details of other Housing Zone applications being made (if applicable)

Housing Zone information:

- Local Authority area(s)
- Number of sites
- Confirmation of rationale for combination of sites
- Confirmation that delivery will be accelerated and that evidence is provided
- Number of homes
- Support required
- Confirmation of local authority capacity to deliver
- Indication of local authority contribution
- Confirmation that the Housing Zone is supported locally and that evidence is provided
- Confirmation of position regarding planning simplification and permissions
- Confirmation of position regarding a Local Development Order (LDO)
- Indication of support requests from the LDO Incentive Fund, Custom Build Serviced Plots Loan Fund or Housing Revenue Account Borrowing Programme
- Confirmation of robust delivery plan
- Confirmation of commitment to quality, innovation and design.

Site level information:

- Site name
- Site area (ha)
- Percentage of site on brownfield land
- Number of homes
- Percentage of units that will be Custom Build
- Percentage of units that will be off-site manufacture
- Confirmation of whether Investment Finance is being requested

- For those sites where funding is not requested, confirmation that a Development Proposition is provided giving details of how accelerated housing delivery can be achieved without government investment.
- Lead developer
- Lead developer's control over land (including name of freehold owner if not lead developer)
- Postcode
- XY co-ordinates (easting and northing)
- Local Authority area
- Confirmation of site plan
- Confirmation of any Housing Revenue Account land
- Confirmation of viability
- Details of planning status
- Start on site and build out rates both with and without Housing Zone support
- Confirmation that evidence of delivery acceleration is provided

Attachments:

All applications for Housing Zone designation should be accompanied by an **Outline Delivery Plan**. This document should set out the overarching rationale and objectives of the Housing Zone, including the headline strategic link between the sites included within it. A template will be made available at [GOV.UK](https://www.gov.uk)

For each site within the Housing Zone, applicants should attach a **site plan** and either a Development Proposal (if no funding is requested) or an Investment Proposal (if funding is required).

A **Development Proposal** should provide further detail on the sites for which investment finance is not required but which are included within the Housing Zone given they can be accelerated through other elements of the support package. The Development Proposal will need to demonstrate the viability of the sites and the plans for delivery. A template will be made available at [GOV.UK](https://www.gov.uk)

Further information regarding Investment Proposals can be found in Annex C.

If you have indicated that **Public Works Loan Board Project Rate** financing will be required, please attach the completed proforma. A template will be made available at [GOV.UK](https://www.gov.uk)

Expression of interest - evidence required for Housing Zones funding

For sites where funding is requested, in addition to the information listed at Annex B, applicants will also need to provide the following:

Financial information:

- Confirmation that an Investment Proposal is provided
- Confirmation that the development is viable, can support repayment of the fund and has the consent from existing lenders to access additional finance from this fund.
- Proposed funding recipient
- Confirmation that the proposed funding recipient is a private sector body
- Details of other government funding, previous or pending
- Drawdown profile
- Repayment profile

Attachments:

For sites where funding is requested, applicants should provide a **site plan** and an **Investment Proposal**. This should provide further detail on the sites for which investment finance is being requested. It will need to demonstrate the viability of the site, the plans for delivery and further detail relating to the required investment. A template will be made available at [GOV.UK](https://www.gov.uk).

Due diligence - know your customer requirements

The following is provided for information, and indicates the information which will be required should a scheme be shortlisted and enter into due diligence.

In the cases of a single private sector development partner:

- Latest audited financial accounts for the private sector development partner (full accounts rather than abbreviated)
- Management or draft accounts where the audited accounts are more than six months old
- Latest audited financial accounts for the private sector development partner's ultimate parent company (full accounts rather than abbreviated)
- Details of any events occurring since the last audited accounts that have a material effect on the understanding of the private sector development partner's, or its wider group's, financial standing, including but not limited to change of control or ownership, corporate re-financing, significant acquisitions, disposals or closure of subsidiaries or business units and potential contingent liabilities including litigation. If none of these apply then a statement confirming that fact
- Evidence of funding lines available to the bidder, including up to date details of headroom within facilities and undrawn facilities
- Where it is proposed that funding will be introduced from related parties then similar information in relation to headroom and undrawn facilities
- Identity of proposed guarantor(s) (if applicable)
- Confirmation of the ownership of the site.

In the case of consortia bids:

- Details of the legal status of the private sector development partner (examples include joint venture company, partnership, limited liability partnership, limited partnership)
- Details of the names of consortium members, structure of the consortium and roles of each consortium member

- For existing joint venture vehicles the latest audited financial accounts for the bid vehicle (full accounts rather than abbreviated)
- Management or draft accounts where the audited accounts are more than six months old.
- In the case of newly formed joint venture vehicles details of the structure of the opening balance sheet, including details of partner's proposed equity and stakeholder loan investments
- Latest audited financial accounts for each of the consortium members (full accounts rather than abbreviated)
- In respect of the bid vehicle and each consortium member details of any events occurring since the last audited accounts that have a material effect on the understanding of the bidder's, or its wider group's, financial standing, including but not limited to change of control or ownership, corporate re-financing, significant acquisitions, disposals or closure of subsidiaries or business units and potential contingent liabilities including litigation. If none of these apply then a statement confirming that fact
- Evidence of funding lines available to the private sector development partner, including up to date details of headroom within facilities and undrawn facilities
- Similar information in relation to the funding lines available to each consortium member
- Where it is proposed that funding will be introduced from related parties then similar information in relation to headroom and undrawn facilities
- Identity of proposed guarantor(s) (if applicable)
- Confirmation of the ownership of the site.

This page is intentionally left blank

Housing Select Committee			
Title	Key Housing issues		
Key decision	No	Item no	8
Wards	All		
Contributors	Executive Director for Customer Services		
Class	Part 1	9 November 2017	

1 Purpose of Paper

- 1.1 Key Housing Issues is a general report that aims to update the Housing Select Committee on current and new issues important to housing.

2 Recommendations

- 2.1 It is recommended that members note the content of the report and;
- 2.2 Note and comment on the proposed framework for Lewisham Council response to the draft Housing Strategy, as detailed in section 4.

3 Fire Safety in Lewisham

- 3.1 Following the last detailed fire safety update in the Key Housing Issues update on the 6th September, a brief update follows on recent key fire safety actions.
- 3.2 A quarterly fire safety update report will be taken to Mayor and Cabinet, commencing at the meeting on 15th November 2017.

Cladding removal

- 3.3 Members will recall that three Lewisham Council owned buildings are having ACM cladding fully removed following the failure of the cladding type when tested. These buildings are Hatfield Close 1-48, Hatfield Close 49-96 and Gerrard House.
- 3.4 Cladding removal is underway and is expected to be completed by 8th December 2017, weather dependent.
- 3.5 The London Fire Brigade (LFB) conducted intrusive inspections at Hatfield and Gerrard blocks. All three blocks received notices listing fire safety works deemed necessary, which have been completed.

- 3.6 A follow up inspection by the LFB occurred in early October. The LFB were satisfied with the safety measures in place whilst the cladding is being removed.
- 3.7 Twenty-four hour fire wardens continue to be on site at three blocks to ensure resident safety until the cladding has been fully removed.
- 3.8 Following cladding removal, the process of re-cladding will commence. Lewisham Homes are still in discussion with the appointed contractor as to the options for re-cladding.

Private building owners

- 3.9 We have now been in correspondence with all of our private landlords who have tall buildings in Lewisham. Officers are currently in discussion with two building owners in relation to the nature of their responsibility to assure the Lewisham Council that their building does not have ACM cladding.
- 3.10 Our most recent communication has emphasised the DCLG guidance and responsibilities of building owners to understand and communicate to Lewisham Council any ACM cladding present on the building.
- 3.11 Officers are in the process of collating data returns to DCLG in relation to tall buildings, due for submission over the next few weeks. Our intention is that should officers not have heard from the building owners this will be reported to DCLG, and the London Fire Brigade notified.
- 3.12 On the 8th October 2017 the Department for Communities & Local Government issued clarification of the powers that they believe are available to Local Authorities as part of their ongoing Building Safety Programme.
- 3.13 The DCLG point to the Housing Act 2004, which permits authorities to inspect and enforce where ACM cladding poses a hazard under the HHSRS.
- 3.14 DCLG also note that Authorities should seek their own legal guidance where they may be required to carry out an inspection or enforcement action against private building owners.
- 3.15 Officers will seek legal advice, in line with DCLG guidance, should further action be needed in regards to compelling private owners to take action.

4 Mayor of London's Draft Housing Strategy

- 4.1 The Mayor of London released a draft housing summary for consultation on 6 September 2017, and has invited comments on the content of this draft by 7 December 2017.
- 4.2 The executive summary is attached at Appendix A for reference.

4.3 The draft strategy outlines 15 policies focussed around five key priorities, highlighted in box A

4.4 The central focus of the draft strategy is housebuilding, with emphasis on:

- Unblocking housing sites
- Speeding up building of homes
- Diversifying the building sector to enable more building

- Building homes for Londoners;
- Delivering genuinely affordable homes;
- High quality homes and inclusive neighbourhoods;
- A fairer deal for private renters and leaseholders; and
- Tackling homelessness and helping rough sleepers.

Box A

5 Commentary on Draft Housing Strategy

5.1 Overall the draft new strategy represents a shift in approach from that of the previous Mayor of London. The strategy collates a number of announcements that had been made separately before its publication.

5.2 These announcements can be welcomed as being closely aligned to the Council's current strategy and approach to housing. Key announcements include:

5.3 The abolition of the previous "Affordable Rent" regime where rents were set in line with local market rents and enabled to be as high as 80% of the market

5.4 The re-introduction of grant funding for new homes at social rent levels, to be known as "London Affordable Rent", with rents set according to a London-wide formula;

5.5 Providing clarity for private developers that 35% affordable housing is the expected benchmark, and that proposals that meet this level will be exempted from viability assessments as part of the planning process;

5.6 A welcome focus on the private rented sector, especially "Build to Rent", as it can provide more stable tenancies, professional and institutionally funded landlords, and a new form of affordable tenure in "London Living Rent";

5.7 A drive to diversify the means of housing supply, by actively supporting small builders and community-led development;

5.8 A similar drive to modernise the house building process, by providing financial support for the use of modern methods of construction, and to maximise the jobs and skills benefits that a shift to modern manufacture can bring for London;

- 5.9 The acknowledgement that the housing finance regime for local authorities is unduly complex and restrictive, and that with greater certainty over rents, and with greater freedoms - for instance in relation to HRA borrowing and the use of right to buy receipts, local authorities can be a significant force in driving new supply;
- 5.10 Calling on Government to introduce a new social housing watchdog – the Commissioner for Social Housing Residents – to champion the views and interests of tenants.
- 5.11 For all of these reasons, this draft strategy represents a welcome change in focus towards providing genuinely affordable homes for Londoners in the greatest need, alongside a recognition of some of the structural changes that will be required to support such a shift.
- 5.12 While that is the case, the strategy could potentially pay greater focus to, a small number of wider policy and structural issues.
- 5.13 The consultation is open until December 7th 2017. Lewisham Council's proposed response could cover the following points, for discussion at Housing Select Committee.
- 5.14 While the return to funding for social rented homes is welcome, the proportion of the overall £3.15bn settlement made available for social rented homes is not sufficient.
- 5.15 Of the 90,000 starts targeted, 58,500 will be one of the “intermediate” tenures of London Living Rent or Shared Ownership. These tenures are necessary and meet a housing need, but the priority should be social rent. Lewisham's policies promote a 70/30 social rent to intermediate ratio, whereas the funding is split 35/65. This balance could be altered to provide more social rented homes.
- 5.16 There is no mention of the green belt, rather the focus remains on building on brownfield land. The Centre for London estimates that if only brownfield land is used to meet London's housing needs, then all brownfield sites will be used up within eight years. At the same time large parts of the green belt are in fact derelict and offer little or no visual or other amenity value. These areas are often close to well-served stations. London cannot possibly meet its housing needs within its own boundaries – certainly not in a sustainable and long-term manner – without addressing this issue.

- 5.17 It is clear that the strategy is to attempt to address all of London's housing needs, which is not likely to be possible. There are currently 55,000 London households who are homeless and living in temporary accommodation. This is equivalent to the population of a new town. A bolder solution would be to build a new town in the wider South East region, well connected through new transport infrastructure to central London. This needn't be equated with building a new town simply to house homeless families – a 55,000 home new town would be mixed tenure, and could release enough capacity in the wider London housing market to house those homeless families.
- 5.18 There is a need for a greater focus on supporting and enabling London boroughs to collaborate to meet the supply challenge. It is three decades since London councils built new homes on any scale, and the technical and professional functions within Councils – architecture, surveying and engineering – have been eliminated. It would be unfeasible to replicate this capacity across 33 boroughs, now that Council house building is returning.
- 5.19 There could be a much greater focus on formal and informal cross-borough collaboration, which could range from jointly owned commercial development vehicles to more informal sharing of expertise and experience. The proposed pan-London temporary accommodation procurement and offsite manufacture projects being led by London Councils provide a good model for future collaborations.

6 Rent Reduction – Removal after 2019/20

- 6.1 On the 4th October 2017, the Government announced plans to limit the increase in social rents to CPI + 1% as of 2020/21 – this represents an end to the 1% annual social rent reduction policy introduced by the previous government.
- 6.2 The government will consult on this in 2018 and will issue a direction to the social housing regulator following this consultation.
- 6.3 The 1% annual rent reduction came into force in 2016/17 and will continue up to and including 2019/20, over which time there will have been a cumulative £25m difference in the amount of rental income forecast in the original business plan and the amount of rental income received.
- 6.4 The return to the previous method of calculating social rent increases based on CPI + 1% was already anticipated within the current HRA financial model.

7 Update following the party conference season

Conservative Party Conference

- 7.1 Prime Minister Theresa May announced what she is describing as a 'return to Council house building' through funding which 'can pay for 25,000 homes over five years'. This is comprised of a new round of grant funding to a total of £2bn, with an assumed rate of £80,000 per home. There is likely to be a further announcement on the funding eligibility criteria, and there may be limitations on spending alongside other sources such as RTB receipts. To place this funding in context, the current GLA grant round is £3.15bn for London alone.
- 7.2 As above, the announcement was made regarding the increase of social rents by CPI plus 1% after 2020.
- 7.3 Sajid Javid also announced an extended commitment to help-to-buy alongside better support for PRS tenants. The proposals included regulation of lettings agents and introduction of a specialist housing court.
- 7.4 As always, the detailed policy announcements will be crucial. Officers will report to the committee when further information is known.

Labour Party Conference

- 7.5 Leader of the opposition, Jeremy Corbyn announced that Labour would be making housing a policy priority for the party. It was further announced that Labour would be undertaking a review of social housing policy over the next year and that the findings will be announced at next year's conference.
- 7.6 Regeneration schemes were on the agenda, with proposals for tenant and leaseholder ballots to determine whether they can go ahead. This was part of Labour's policy to ensure regeneration benefit local communities and was coupled with a proposed guarantee that tenants will get a home on the same site.
- 7.7 The current GLA policy does not support ballots, although officers understand this is under revision.

Green Party Conference

- 7.8 At the Green Party Conference a vote took place and passed in favour of affirming housing as a basic human right.
- 7.9 Party leader Natalie Bennett proposed a 'Housing First' approach, based on a US model, which seeks to provide accommodation as quickly as possible for those experience homelessness and following this with interventions and support for possible causes.

8 New Homes Programme Update

- 8.1 Progress continues to be made in delivering the target of 500 new Council homes to start on site by the end of 2018. On 14 November Mayor and Cabinet will consider a full update in this regard, including details of progress and a successful initial application for GLA funding for the programme of £13m.
- 8.2 Over the past month three new developments, of 81 homes in total of which 53 are Council homes, have been submitted for planning consideration. In total 323 of the 500 homes targeted by the programme are either complete, on-site or are progressing through the planning process. This means that at this stage 65% of the target 500 homes has been achieved, and officers continue to pursue a range of other projects to deliver the remaining homes.
- 8.3 The table below sets out a summary of the new homes programme delivery, overall and in the past month, and Appendix One contains a summary of the overall programme.

Project Status	Number of new Council homes	Change in past month
Completed new homes	87	+1
Projects on-site	124	+19
Awaiting start	1	None
Awaiting planning consent	111	+53
Awaiting planning submission	183	-38
Grand total	506	-7

9 Legal Implications

- 9.1 There are no specific legal implications arising from this report.

10 Financial implications

- 10.1 The purpose of this report is to update Members on current housing issues. As such, there are no specific financial implications arising from the report itself.
- 10.2 The Council's current 30 year financial model for the Housing Revenue Account includes provision for up to 500 new units, for social rent purposes, at an average cost of £190k each (adjusted annually for inflation) over the first 10 years of the model.
- 10.3 The plan also includes forecasts on rental policy and future rental income streams. The announcement by government of the return to uplifting rents by CPI + 1% from financial year 2020/21 was included as an estimate within the current financial model.

11 Crime and disorder implications

11.1 There are no crime and disorder implications arising from this report.

12 Equalities implications

12.1 There are no equalities implications arising from this report.

13 Environmental implications

13.1 There are no environmental implications arising from this report.

14 Background Documents and Report Originator

14.1 If you have any queries relating to this report please contact Jeff Endean on 020 8314 6213.

MAYOR OF LONDON



London Housing Strategy

**EXECUTIVE SUMMARY DRAFT
FOR PUBLIC CONSULTATION**

September 2017



Copyright

**Greater London Authority
September 2017**

Published by
Greater London Authority
City Hall
The Queen's Walk
London SE1 2AA

london.gov.uk
enquiries 020 7983 4000

ISBN 978-1-84781-665-8

Contents

Foreword	4
Executive summary	8



Foreword

As Mayor, I have been clear that London's housing crisis is the single biggest barrier to prosperity, growth, and fairness facing Londoners today.

In recent decades, London has excelled at creating jobs and opportunities. Yet over the same period, far too little was done to build the genuinely affordable homes we need. Now a generation of Londoners are being priced out of our city. Many cannot afford their rent, live in overcrowded conditions, and see buying their own home as a distant dream.

It now costs more to rent a one-bed flat in London than it does to rent a three-bed home anywhere else in the country. Shamefully, 90,000 children in London live in temporary accommodation. Three out of four businesses cite housing as the biggest challenge to attracting staff. And one in four nurses and young teachers say they expect to leave the city in the next five years because of high housing costs.

The approach to homebuilding over recent decades has clearly not met the challenge we face. It has not built the number of homes we need nor the type of homes we need, and when I took

office, our audit showed just 13 per cent of new homes being given planning permission were affordable. These 'affordable' homes will have included those at 80 per cent of market rents – a level not genuinely affordable in most parts of London.

This is unacceptable and I am determined to make a difference. I have been honest with Londoners from the start – we are not going to be able to turn things around overnight. This is going to be a marathon, not a sprint. But we are working hard every day and we have already started to take big steps forward.

London currently depends on a small number of large developers whose model relies on homes built for sale. These large developers play a key role in homebuilding, but their contribution alone cannot solve the crisis. New City Hall analysis, set to be published in the autumn, will show that we need many more homes than are currently planned for, and that of these new homes around 50 per cent will need to be affordable. The biggest shortfall by far between what we are building now and what we need is amongst homes that are genuinely affordable to Londoners.

“This housing strategy is not only about the long-term, but also about doing all we can to help Londoners affected by the housing crisis right now.”

That is why my new housing strategy sets out an approach that will start to rebalance housing supply in London. It sets out how we have started to move in a better direction. I have already begun to invest the record £3.15bn of affordable housing funding I secured for London from Government, and I have introduced a new and innovative approach to increase affordable housing and speed up the planning system so that we can pick up the pace of change.

My housing strategy also outlines my vision for housing associations, councils, institutional investors, and small builders to play a far bigger role – and for City Hall to play a greater part in bringing land forward for building new homes. It sets out the importance of more higher density homes across the city, including in outer London, and more high-quality homes at a stable rent. Above all, it sets out the importance and necessity of building more genuinely affordable homes for Londoners to rent and buy.

But our ambition must stretch even further if we are to tackle this crisis. I will do everything I can using the powers I have in London, but Government also needs to play its part. Our plans

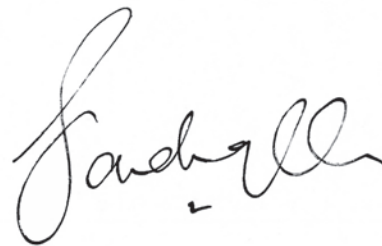
to bring forward more land for housing could transform supply in London if supported by more effective powers from Government. Likewise, our plans to build more genuinely affordable homes could achieve an even greater step-change if ambitious councils and housing associations were enabled to build more homes, supported by a long-term, stable and devolved funding settlement from Government.

This housing strategy is not only about the long-term, but also about doing all we can to help Londoners affected by the housing crisis right now. That is why we want to improve standards for Londoners renting privately, to help leaseholders get a better deal, and to make sure more is done to prevent homelessness and rough sleeping. I am also fighting for Londoners currently living in social housing and making sure their voice is heard – following the Grenfell Tower fire, I am determined to do whatever is necessary to ensure Londoners' homes are safe.

There is still a long way to go, but over the past year we have started the difficult process of turning things around. As part of this, I am pulling people

together and working with an alliance of developers, housing associations, councils, investors, businesses, and Londoners themselves. This draft strategy sets out the work we have started, our plans to push the limits of our current powers, and the scale of our ambitions for the future.

I want as many Londoners as possible to take part in this consultation as we shape the strategy's final version. Housing is an issue that affects everyone and every family in London. I want you all to have your say as we work towards building a city that works for all Londoners.

A handwritten signature in black ink, appearing to read 'Sadiq Khan', with a small mark below the 'n'.

Sadiq Khan
Mayor of London



Executive summary

How to provide all Londoners with a decent and affordable home is the greatest challenge facing our city today. Londoners know this only too well. Public concern with housing in the capital hit its highest recorded level in 2016. One in three Londoners now call it one of the biggest issues facing the country. London's housing shortage can be traced back to a failure, over many decades, to build the new homes the city's growing economy requires. The effects of this chronic shortage now reach into every aspect of Londoners' lives.

The Mayor's draft London Housing Strategy sets out his vision for housing in the capital, alongside policies and proposals to achieve it. It provides a framework for what the Mayor will do over several years, including over £3.15 billion of affordable housing investment through to 2021, as well as a host of other programmes and services provided by the Mayor and his partners, and his longer-term ambitions for the future. It is a call to action for all organisations that have a role to play in addressing London's housing crisis to work with him toward this goal.

THE MAYOR'S VISION AND PRIORITIES

Building the right number and the right mix of new homes, and addressing the consequences of the housing crisis, are essential parts of the Mayor's vision for good growth. He wants every Londoner to have access to a good quality home that meets their needs and at a price they can afford. The Mayor wants to make the capital 'A City for all Londoners'. That means meeting London's housing needs in full, particularly the need for genuinely affordable homes. It means creating a city where businesses can thrive, the environment is protected, and people from all walks of life can share in the city's success and fulfil their potential.

This vision underpins the five priorities of the Mayor's draft London Housing Strategy:

- Building homes for Londoners;
- Delivering genuinely affordable homes;
- High quality homes and inclusive neighbourhoods;
- A fairer deal for private renters and leaseholders; and
- Tackling homelessness and helping rough sleepers.

The central priority of this draft strategy is to build many more homes for Londoners. The Mayor believes this is the only way to solve London's housing crisis over the long term. Doing so will require action to unblock stalled housing sites and increase the speed of building. It will require steps to diversify who is building new homes, as well as where, how, and for whom they are built. To meet our housing needs while protecting the Green Belt and open spaces, London must build at higher densities and ensure that all parts of the city take their fair share of new homes. This draft strategy sets out a comprehensive blueprint for supporting the step change in housing delivery that is now required.

It is essential we increase the supply of genuinely affordable housing, and we need to ensure that new homes are high quality, safe, support London's shift to a low carbon future, and are built in partnership with Londoners themselves. Furthermore, because we know that building the new homes we need won't happen overnight, in the meantime we need to do all we can to help Londoners now. That is why, in this draft strategy, the Mayor sets out his plan to help the growing numbers of private renters and leaseholders in London, and to take urgent action to prevent and address homelessness.

BUILDING HOMES FOR LONDONERS

The Mayor believes the only way to solve London's housing crisis over the long term is to build significantly more homes. For many years, the number of new homes being built has fallen far short of what Londoners need, as we have become over-reliant on a relatively narrow range of development models, sites, and types of homes. Central to addressing this challenge is to diversify who builds homes, and where and how they are built. The Mayor's strengthened Homes for Londoners team will pursue, support, and lobby for the changes required to make this happen. This includes new funding and policy approaches, as well as collaboration with other levels of government and the housing industry.

1. **Identifying and bringing forward more land for housing:** London's current land use policies, and its land market, have failed to respond adequately to the city's desperate need for new homes. The Mayor will work to increase land supply by supporting more intensive use of London's available land, and by proactively intervening in the land market. He will make greater use of new and existing land assembly powers, promote projects, and invest

in infrastructure. He will work with public sector landowners so they can lead by example by releasing more land for housing. The Mayor will also call for the devolution of new powers and greater resources to assemble more land, more quickly. To protect the Green Belt, the Mayor will promote higher density schemes and prioritise development on brownfield sites, in and around town centres, and on smaller sites in areas that have traditionally contributed less to London's supply of new homes. To ensure that all councils contribute to the capital's needs, clear and ambitious housing targets will be set for every council in London. – Policy 3.1

2. **Investing in homes and infrastructure:** Public investment plays a central role in sustaining and supporting homebuilding. It helps to speed up build-out rates, unlock stalled schemes, and make more land available for housing. The Mayor will use his resources and national programmes to invest in housing and infrastructure, including through: his Affordable Homes Programme; the Housing Infrastructure Fund; targeted investment in areas where delivery of new and genuinely affordable homes

can be maximised; and supporting access to finance for home builders. Investment in new transport schemes will be targeted to support new homes – whether major new rail lines like Crossrail 2, high quality rapid bus transit, and more local investment to make cycling and walking easier. The Mayor will work with Government and others to increase levels of investment in infrastructure, including through pushing for more devolution of funding powers to the capital, and new approaches to infrastructure finance and land value capture. – Policy 3.2

3. **Diversifying the homebuilding industry:** London will not increase its levels of homebuilding unless more of the homes built can be accessed by more Londoners, and until more homes are built by a wider group of organisations. The Mayor will offer packages of support to enable new players to complement the work of traditional private sector developers. Support for new purpose-built private rented homes – the Build to Rent sector – will provide a more stable and well-managed supply of homes at a range of rent levels. There will also be support for small- and medium-sized builders to help us build more

“The Mayor is determined to make more homes affordable to Londoners on low and middle incomes.”

on smaller sites and in outer London, where homes can be built faster and at more affordable prices. The Mayor will support housing associations to deliver their affordable housing targets through investment and new ‘strategic partnerships’. Finally, he will work closely with ambitious councils to help them access the resources they need to build new council housing. – Policy 3.3

- 4. Improving the skills, capacity and building methods of the industry:** At present, there are not enough people who have the right skills and who want to work in London’s construction industry, and relying on traditional building methods alone will make it hard to significantly increase the number of new homes. The Mayor will work to address the construction skills gap. He will provide leadership and coordination to improve the image of construction. He will also improve London’s construction skills training system, and support the industry through the risks posed by Brexit. A shift to more of the components of London’s homes being precision manufactured, including in factories, will be supported too. – Policy 3.4

DELIVERING GENUINELY AFFORDABLE HOMES

The Mayor is determined to make more homes affordable to Londoners on low and middle incomes. London depends on people of different means and backgrounds all being able to live here and contribute to its vibrancy and economic success. Social housing forms the foundation of our mixed city, yet for many years London has failed to build new affordable homes at the rate required, while its existing affordable homes are under increasing pressure.

5. **Ensuring homes are genuinely affordable:** Londoners have understandably become suspicious of the term 'affordable' in recent years. The Mayor wants to make sure they can be confident that more new homes will be genuinely affordable, by establishing clearer definitions of what homes are affordable for Londoners on low and middle incomes to rent and buy. The Mayor will invest in homes around social rent levels for Londoners on low incomes, in London Living Rent homes for middle income Londoners struggling to save for a deposit, and in shared

ownership homes for Londoners who cannot afford to buy on the open market. While encouraging innovation in other forms of affordable housing, the Mayor will set clear tests to ensure they are genuinely affordable to Londoners. – Policy 4.1

6. **Working towards half of new homes built being affordable:** The Mayor is committed to a long-term strategic target for half of new homes built to be genuinely affordable. To achieve this, he will ensure the planning system secures more affordable homes as part of new developments, including through fast tracking developments that meet the Mayor's minimum threshold. He will further increase the levels of new affordable homes through investment, including his programme of £3.15 billion to support 90,000 affordable home starts by 2021. He will also work with others to bring forward London's surplus or under utilised publicly-owned land to support the delivery of more genuinely affordable homes, including clear targets for Mayoral land. Longer term, the Mayor will make the case for far more investment to provide the homes that Londoners need. – Policy 4.2

7. Protecting London's existing affordable homes: As well as building more genuinely affordable homes, we must do more to protect London's existing affordable homes. The Mayor wants homes sold through Right to Buy to be replaced on a like for like basis, supported by Government reforms to make this more straightforward. Equally, he wants to ensure that homes demolished for redevelopment are replaced on a like for like basis and will make this a key planning requirement. He will also support a more efficient use of London's affordable homes, including helping tenants who want to move to more appropriate homes. – Policy 4.3

HIGH QUALITY HOMES AND INCLUSIVE NEIGHBOURHOODS

As London develops and grows, it must remain a great place to live and work. That means new homes and neighbourhoods must be well-designed, good quality and environmentally sustainable. They must be accessible and inclusive of Londoners' diverse housing needs. Above all, new and existing buildings must be safe for Londoners, while more broadly we must ensure good quality construction, take measures to reduce the number of Londoners living in fuel poverty, and do more to adapt London's housing stock for an ageing population. Londoners need to feel involved in decisions

about homebuilding and their concerns about new development should be addressed.

8. Well-designed, safe, good quality, and environmentally sustainable homes: Alongside higher levels of homebuilding, there must be more focus on the quality, safety, and sustainability of homes and neighbourhoods. The tragic Grenfell Tower fire raises urgent questions about the safety and design of some existing buildings, and about how rules and regulations are written and enforced. The Mayor wants to encourage strict quality and safety standards. More widely, he will support excellent design to underpin an expansion in homebuilding, including through appointing Mayoral Design Advocates and supporting a new 'housing Expo' to showcase the best design for the types of new homes that London needs. The Mayor will help champion quality and design locally. His new social enterprise, 'Public Practice', will help to boost planning and regeneration expertise in councils. Through delivering his Environment Strategy, the Mayor also recognises the role of housing in enhancing London's environmental quality, including the public realm and green infrastructure within which housing is set, and improving energy efficiency of buildings themselves. – Policy 5.1

9. **Meeting London's diverse housing needs:**

To fulfil the Mayor's vision of a city for all Londoners, new homes need to be developed with the needs of all Londoners in mind, and existing homes need to be improved to support demographic change and to improve accessibility. The Mayor will work to ensure this happens by providing investment for specialist and supported homes, including for older or disabled Londoners, by adopting strict standards for accessibility, and by working with communities across London to develop proposals for specialist homes that meet their needs. – Policy 5.2

10. **Involving Londoners in**

homebuilding: Londoners' support for new homebuilding has been rising over recent years, as the need for new housing has become increasingly acute. The Mayor wants to make sure people living and working in London benefit from new homes. In some cases, Londoners want to shape development themselves, and so the Mayor is funding a new Community-Led Housing Hub for London. More broadly, he will work to ensure that new housing development is matched with provision of health, education, and other facilities, so that communities are well prepared

for new homes. Homebuilding will become a more transparent and open process, while the Mayor will take steps to address concerns about empty homes, overseas buyers, and the impacts of estate regeneration. – Policy 5.3

A FAIRER DEAL FOR PRIVATE RENTERS AND LEASEHOLDERS

Building the homes that Londoners need will take time, and in the meantime the Mayor wants to improve life for London's two million private renters. Private renting is London's only growing housing tenure, yet renters face a range of challenges. These include rising rents and other costs, a lack of security and stability, and, in some cases, unacceptable conditions. The Mayor also wants to get a fairer deal for the more than half-a-million leaseholders in the capital – a vital task given that most new homes currently being built in London are leasehold.

11. **Improving the quality of private renting:**

Most landlords offer a good service to their tenants. However, almost a quarter of privately rented homes fail to meet the Decent Homes standard, and councils struggle to enforce minimum standards. The Mayor wants councils to have the tools

and resources they need to ensure private renters can expect consistently decent standards. His vision is for an effective system of regulation through property licensing and landlord registration, that is light touch for good landlords and focuses resources on pursuing those who behave unlawfully. As a first step to help improve standards, he will 'name and shame' landlords and letting agents who have acted unlawfully. He will also support councils to operate well-designed property licensing schemes, and to more closely share information and coordinate their actions. – Policy 6.1

12. A more secure, stable, and affordable private rented sector:

The high costs of renting in the capital affects Londoners across the board – from families on low incomes, to those affected by recent welfare reforms, to young people unable to save for a home of their own. At the same time, more households rely on private renting for a long term and stable home. Today, almost 600,000 London children live in the sector. The Mayor will work to promote a new deal – a London Model – for renters. This will offer greater stability and tenant rights, balanced with the legitimate interests of landlords. He will also work to address upfront costs and

fees facing renters, and will urge Government to improve the support it provides for Londoners on lower incomes struggling to pay their rent. – Policy 6.2

13. Reforming and improving leasehold:

Most new homes built in London today are sold on a leasehold basis. Despite this, many leaseholders know little about their rights and obligations, and the system remains open to abuse. The Mayor will support improvements to the leasehold sector, particularly measures to improve the quality of advice and support available to leaseholders. This includes working with developers to extend the London Charter for service charges and ground rents to the wider leasehold sector. The Mayor supports the principles behind recently published central Government consultations on leasehold houses and ground rents, and over the longer term, he will push for fundamental reform of leasehold, which could include its replacement with a fairer tenure. – Policy 6.3

TACKLING HOMELESSNESS AND HELPING ROUGH SLEEPERS

The impacts of London's housing crisis are felt by many – yet few experience it more severely than the thousands of Londoners who have no home at all.

London is one of the world's wealthiest cities. Yet the high cost of housing, and lack of support for those who need it, means homelessness has been on the rise. A recent study estimated that one in 50 Londoners is now homeless – including those living in temporary accommodation, single people in hostels, and around 8,000 people who last year were seen sleeping on the streets. The Mayor has been clear that, in a city as wealthy as London, we have a moral duty to tackle homelessness head on.

- 14. Preventing homelessness and helping homeless Londoners into accommodation:** More and more Londoners have been finding themselves without a place to call home. Fundamentally this is due to the shortage of affordable homes and the insecurity of private renting. The Mayor will lead on tackling the root causes of this unacceptable situation, and he will work with councils to try and prevent homelessness and help homeless Londoners into sustainable accommodation. This includes investing in places for homeless Londoners to live, and supporting more coordination between councils when accommodating homeless Londoners. He will also focus on homelessness that is caused by violence against women and girls.
- Policy 7.1

“It is unacceptable that anyone sleeps on London’s streets. The Mayor’s aim is to ensure there is a way off the streets for every single rough sleeper in London.”

“The draft London Housing Strategy sets out the Mayor’s long term plan for addressing London’s housing crisis.”

15. Helping rough sleepers off the streets: It is unacceptable that anyone sleeps on London’s streets. The Mayor’s aim is to ensure there is a way off the streets for every single rough sleeper in London. He will provide leadership and coordination through his ‘No Nights Sleeping Rough’ taskforce. He will work with councils, charities, Government, and others to boost services beyond the £8.5 million a year he has committed toward support for rough sleepers. He will invest in improving and expanding London’s network of hostels and refuges. – Policy 7.2

DELIVERING THE MAYOR’S VISION

The draft London Housing Strategy sets out the Mayor’s plan for addressing London’s housing crisis. Much can be done with existing powers and funding, and the ambition of the proposals in this strategy demonstrates the determination at City Hall to drive forward the changes and reforms that are required. However, the Mayor cannot solve this crisis on his own. Many organisations will need to play their role if this draft strategy is to be delivered. In particular:

Councils in London are at the frontline of the housing crisis and they will play a central role in the delivery of this

strategy. The Mayor wants to work with councils to ensure that they can support its aims through the whole range of their functions. This includes: planning and giving permission for new housing schemes; promoting regeneration and development across their areas; building new genuinely affordable homes; and ensuring that Londoners affected by the housing crisis are receiving the help and support they need. This draft strategy proposes clear expectations on councils for local delivery, backed up with a comprehensive package of support from City Hall.

Private developers will continue to build most of London's new homes. The Mayor recognises and values the contribution they make. This draft strategy sets out how he will support the sector by increasing the supply of land, investing in infrastructure to unlock new sites, and helping a wider range of developers and builders to play a bigger role. In return, he expects private developers to increase their levels of homebuilding. He also expects them to make their fair contribution to providing the genuinely affordable homes that Londoners need.

Housing associations are the main providers of new genuinely affordable homes. As such, they play a central role in the Mayor's vision for housing

in London. He will provide support to help them do more. This includes a substantial share of his current £3.15 billion of investment for new affordable homes. For the largest and most ambitious housing associations, the Mayor will create new strategic partnerships to support the delivery of key parts of this strategy.

The other central player in making this draft strategy a reality, both in the immediate future and over the longer term, is **Government**. The UK remains a highly centralised state. As such, London continues to rely on central Government for its funding and powers. The Mayor, like councils and businesses across London, is calling for a comprehensive and urgent devolution of funding and powers that recognises the scale of London's housing challenges. This would allow London to take the lead in solving its own housing problems.

CONSULTATION AND NEXT STEPS

The publication of this draft strategy marks the start of a three-month consultation. Following the consultation, the Mayor will consider responses and amend the strategy. He will then submit the final draft to the London Assembly and to Government for their consideration. The final version will be published in 2018.

Other formats and languages

For a large print, Braille, disc, sign language video or audio-tape version of this document, or if you would like a summary of this document in your language please contact us at this address:

Public Liaison Unit

Greater London Authority Telephone
020 7983 4000

City Hall
The Queen's Walk
More London
London SE1 2AA

london.gov.uk

You will need to supply your name, your postal address and state the format and title of the publication you require.

If you would like a summary of this document in your language, please phone the number or contact us at the address above.

Housing Select Committee work programme 2017/18

Programme of work

Work item	Type of item	Priority	Strategic priority	Delivery deadline	18-Apr	26-Jun	05-Jul	06-Sep	09-Nov	14-Dec	31-Jan	14-Mar
Lewisham Future Programme	Standard item	High	CP6	Ongoing					Savings			
Key Housing Issues	Standard item	Low	CP6	Ongoing								
Election of the Chair and Vice-Chair	Constitutional req	N/A	CP6	Apr								
Committee work programme 2016/17	Constitutional req	High	CP6	Apr								
New Homes Programme	Performance monitoring	High	CP6	Jul								
Housing delivery models	Policy development	High	CP6	Jun		Scoping		Evidence	Evidence	Report		
Lewisham's Housing Strategy	Policy development	Medium	CP6	Jul								
Fire safety in tall buildings	Standard item	High	CP6	Jul								
Lewisham Homes	Performance monitoring	Medium	CP6	Sep				Annual report & business plan				
Brockley PFI	Performance monitoring	Medium	CP6	Sep				Annual report & business plan				
Changes that will impact private rented sector licensing	Standard item	High	CP6	Sep								
Housing zones update	Policy development	Medium	CP6	Oct								
Homelessness and temporary accommodation pressures	Policy development	High	CP6	Dec								
Housing and mental health review update	In-depth review	Medium	CP6	Dec						Update		
Supported housing	Policy development	Medium	CP6	Oct								
Lewisham Central opportunity site	Policy development	Medium	CP6	Jan								
Private Sector Housing Assistance Policy	Standard item	High	CP6	Jan								
Proposed rent and service charge increases	Standard item	High	CP6	Jan								
Annual lettings plan	Standard item	High	CP6	Mar								

	Item completed
	Item ongoing
	Item outstanding
	Proposed timeframe
	Item added

Meeting Dates:					
1)	Tuesday	18 April	5)	Thursday	9 Nov
2)	Monday	26 June	6)	Thursday	14 Dec
3)	Wednesday	5 Jul	7)	Wednesday	31 Jan
4)	Wednesday	6 Sep	8)	Wednesday	14 Mar

This page is intentionally left blank

Housing Select Committee			
Title	Select Committee work programme		
Contributor	Scrutiny Manager	Item	7
Class	Part 1 (open)	9 November 2017	

1. Purpose

To advise Members of the proposed work programme for the municipal year 2017-18, to inform members of the policy and legislative intentions of the new Conservative government (**see appendix D**), and to decide on the agenda items for the next meeting.

2. Summary

- 2.1 At the beginning of the municipal year, 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 22 May 2017 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 about 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 2017/18 was agreed at the Committee's meeting on 18 April 2017.

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 14 December 2017:

Agenda item	Review type	Link to Corporate Priority	Priority
Homelessness and temporary accommodation pressures	Standard item	Decent homes for all	High
Housing and mental health review update	In-depth review	Decent homes for all	Medium
Supported housing	Standard item	Decent homes for all	Medium

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

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

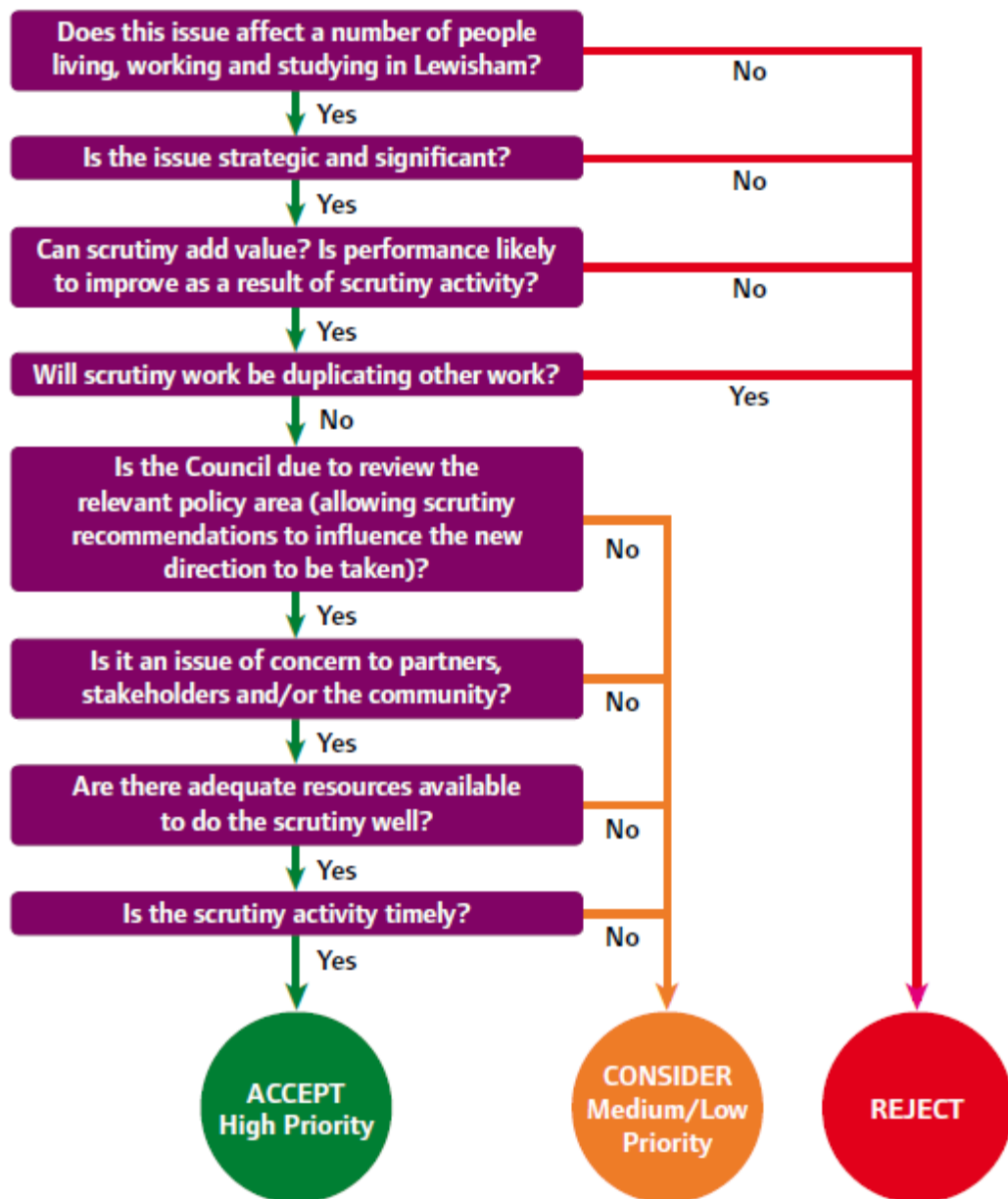
The date of the next meeting is Thursday 14 December 2017.

Background Documents

Lewisham Council's Constitution

Centre for Public Scrutiny: the Good Scrutiny Guide

Scrutiny work programme – prioritisation process



FORWARD PLAN OF KEY DECISIONS

Forward Plan November 2017 - February 2018

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. 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.

September 2017	Business Rates - London pooling	25/10/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
August 2017	Discretionary Business Rates Scheme 2017/2018 Revaluation Support	25/10/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia,		

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 Resources		
August 2017	Lewisham Homes Business Plan	25/10/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member for Housing		
August 2017	Introduction of a new Public Space Protection Order	25/10/17 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Janet Daby, Cabinet Member Community Safety		
September 2017	Addition to Lewisham's Local List - No.7&8 Bell Green Gasholders	25/10/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2017	Extension of Existing contract plus contract variation for the delivery of day services at the Calabash Centre	25/10/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community		
September 2017	Single Tender Action for Warm Homes Fund	07/11/17 Overview and Scrutiny Business Panel	Janet Senior, Executive Director for Resources & Regeneration and Councillor Rachel Onikosi, Cabinet Member Public Realm		

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
March 2017	Achilles Street Regeneration Proposals	15/11/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member for Housing		
May 2017	Transfer of the Applications Support Function to the LB Brent Shared Service	15/11/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
June 2017	Joint Strategic Depot Review	15/11/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
September 2017	Adoption of Lewisham Cycling Strategy	15/11/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
June 2017	New Precision Manufactured Homes: Edward Street	15/11/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member for Housing		
September 2017	Precision Manufactured Homes	15/11/17	Kevin Sheehan,		

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
	and GLA Innovation Fund Update	Mayor and Cabinet	Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member for Housing		
	Update on Fire Safety in Lewisham	15/11/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member for Housing		
August 2017	Fostering Strategy	15/11/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
June 2017	Gypsy and Traveller Local Plan Update	15/11/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
June 2017	Ladywell Playtower: selecting a restoration partner	15/11/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
	Lewisham Poverty Commission	15/11/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and		

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
			Councillor Joe Dromey, Cabinet Member Policy & Performance		
	New Homes Programme Update Parts 1&2	15/11/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member for Housing		
September 2017	Consultation on removal of subsidies for Day Care meals	15/11/17 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
August 2017	Response to Consultation regarding changes to Targeted Short Breaks Provision	15/11/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
	Cutting Energy Costs through new local energy supply models	15/11/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Rachel Onikosi, Cabinet Member Public Realm		
	Wide Horizons refinancing	15/11/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and		

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
			Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
	Disposal of the former Saville Centre	15/11/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2017	Main Grants Programme	15/11/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community		
September 2017	Contract Award and Approval to Proceed with 1 FE expansion at Ashmead School	15/11/17 Mayor and Cabinet (Contracts)	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
	School Kitchen Facilities Maintenance	15/11/17 Mayor and Cabinet (Contracts)	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
September 2017	Business Rates - London	22/11/17	Janet Senior, Executive		

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
	Pooling	Council	Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
September 2017	Financial Regulations and Directorate Schemes of Delegation	22/11/17 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
May 2017	Report of the Barriers to Participation Working Party	22/11/17 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Suzannah Clarke, Chair Planning Committee C		
September 2017	LGO finding against the Council	22/11/17 Council	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
	Lewisham Poverty Commission	22/11/17 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Joe Dromey, Cabinet Member Policy & Performance		
	Appointment Process for a	22/11/17	Adam Bowles, Head of		

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
	Chief Executive	Council	OD & HR and Councillor Alan Hall, Chair of Overview & Scrutiny Committee		
	Northgate Contract Extension	28/11/17 Overview and Scrutiny Business Panel	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
September 2017	Review of Implementation of the Armed Forces Community Covenant	06/12/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Damien Egan, Cabinet Member for Housing		
September 2017	Financial Monitoring 2017/18	06/12/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
May 2017	Lewisham Future Programme 2018/19 Revenue Budget Savings	06/12/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
September 2017	School Deficits	06/12/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and		

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
			Councillor Paul Maslin, Cabinet Member for Children and Young People		
September 2017	Brownfield Land Register	06/12/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2017	Planning Service Annual Monitoring Report 2016-17	06/12/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2017	Contract Awards for Support Services for Young People with Housing and Support Needs	06/12/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
September 2017	Contract Extension for Shared Care Adult Substance Misuse Services	06/12/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Janet Daby, Cabinet Member Community Safety		
September 2017	Contract Extension Provision of Homecare Services (Lead Provider)	06/12/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best,		

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 for Health, Wellbeing and Older People		
August 2017	School Improvement Partnership	10/01/18 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
September 2017	Council Tax Base	10/01/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
	Schools Minor Works Programme	10/01/18 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
April 2017	Proposed revision to the contract structure of the Downham Health & Leisure Centre PFI	10/01/18 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community		
September 2017	Council Tax Base	17/01/18 Council	Janet Senior, Executive Director for Resources &		

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
			Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
June 2017	Deptford Lounge & Tidemill Academy Facilities Management and Centre Management Contract Award	07/02/18 Mayor and Cabinet (Contracts)	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
	Update on Fire Safety in Lewisham	28/02/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member for Housing		
September 2017	Agreed Syllabus Review and Syllabus Launch	21/03/18 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		

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