1. **Purpose of the report**

   To inform Mayor and Cabinet about the new Housing Zone opportunity, and to seek approval to submit a bid for the Catford regeneration programme for consideration by the GLA.

2. **Summary**

   An opportunity has arisen for the Council to seek substantial support towards the regeneration of Catford. The GLA’s Housing Zones are an initiative which support development schemes that have the potential to deliver large amounts of housing (in excess of 1,000 dwellings) in order to meet the significant demand for homes in London.

3. **Recommendation**

   3.1 The Mayor is recommended to approve the submission of a bid for a Catford Housing Zone to the GLA.

4. **Policy Context**

   4.1 'People, prosperity, place', Lewisham's regeneration strategy 2008-2020, sets out the Council's aspiration for a vibrant, dynamic Lewisham focussed around the themes of people - investing in the individuals and communities which are Lewisham’s greatest asset - prosperity - fostering the skills and economic opportunities for Lewisham to flourish and thrive - and place - developing high quality public spaces, sustainable buildings and protecting the areas which are sensitive to change. The strategy identifies the Catford town centre as a strategic site with the Borough. The strategy is also placed within the framework of the key national and regional policies which affect the Council’s work around regeneration of the borough, including the London Plan.

   4.2 'Shaping our future', Lewisham's Sustainable Community Strategy 2008 - 2020, includes the 'Dynamic and Prosperous' theme, where people are part of
vibrant communities and town centres, well connected to London and beyond. It details the Local Strategic Partnership's commitment to 'improving the quality and vitality of Lewisham's town centres and localities', and aspirations to 'support the growth and development of our town centres by working with commercial partners and developers', and 'maximise the use of our town centres as places to engage the local community'.

4.3 Shaping our future' identifies 'Active healthy citizens as a key priority – where the Council are committed to ensuring that 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'.

4.4 Strengthening the local economy is a corporate priority, emphasising the importance of 'gaining resources to regenerate key localities, strengthen employment skills and promote public transport.

4.5 The Council's Local Development Framework (LDF) sets the vision, objectives, strategy and policies that will guide development and regeneration in the borough up to 2025 and together with the Mayor of London's 'London Plan' will form the statutory development plan for the borough.

4.6 Lewisham’s Housing Strategy 2015–2020 sets out four 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

5. Background

5.1 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 is to boost housing supply in London by unlocking and accelerating housing delivery through a range of planning and financial measures. Local authorities were offered the opportunity to submit bids, either independently or in collaboration with private sector partners.

5.2 The Government and the GLA have jointly committed a total of £400m towards the first twenty zones. Funding was available in a variety of forms including loans and flexible funding forms, including grant funding. The Housing Zone process seeks to encourage co-operation between local authorities, central government and developers. The process provides that, regardless of the source of funding, applications for designation should be put forward by Local Authorities.

5.3 New homes developed in Housing Zones are expected to be geared towards meeting a range of housing needs and to 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.

5.4 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 these more challenging areas could be addressed, unlocking schemes and accelerating the delivery of the planned housing.

5.5 Following the announcement of all 20 Housing Zones under the initial scheme in October 2015 the Mayor of London announced an intention to create a further 10 Housing Zones by the end of March 2016.

5.6 Lewisham officers met with GLA and TfL officers in December 2015 to discuss key issues surrounding the regeneration of Catford town centre. The latest phase of work has highlighted the potential of Catford town centre to contribute towards the delivery of new homes and to bring about much needed investment in improvements to the town centre’s retail and leisure offer, transport and public realm. However, scheme finances are stretched and securing all our priorities within the area is a challenge.

5.7 As Housing Zone funding is designed to accelerate and enable the delivery of new homes, the Catford scheme is a good candidate for support as it is felt that the scheme could deliver the 1,000+ homes required by the Housing Zone’s 2026 deadline. Officers have had discussions with the GLA about the nature of support that would be most beneficial and grant funding to support the delivery of affordable housing together with some enabling infrastructure works appears to be a best fit with the scheme objectives.

5.8 An announcement on funding is expected in March 2016 and if the Council is successful a report will be prepared for Mayor & Cabinet providing details of any award and of any terms that require negotiation thereafter.

6. Financial Implications

6.1 Mayor & Cabinet approval is required to submit the bid for Housing Zone funding, because the potential funding award exceeds £1 million. The GLA has confirmed that total funding of £200m has been committed towards 10 further Housing Zones.

7. Legal implications

7.1 In accordance with the Mayoral Scheme of Delegation, approval of any application for external funding exceeding £1 million is reserved to the Mayor.
7.2 At this stage, the Council is simply submitting a bid. The details of any award of funding and any terms attached to the funding will be reported back to Mayor & Cabinet for approval.

8. **Risk Assessment**

8.1 If successful the Council will be required to enter into a funding agreement with the GLA in respect of any funding award. The details of any terms offered including risk and reward to the scheme will be considered and reported to Mayor & Cabinet for approval prior to entering into any funding agreement.

9. **Equality Implications**

9.1 There are no immediate equality implications associated with the recommendations of this report.

10. **Environmental Implications**

10.1 There are no immediate environmental implications associated with the recommendations of this report.

11. **Crime and disorder implications**

11.1 There are no immediate crime & disorder implications associated with the recommendations of this report.

12. **Conclusion**

12.1 Mayor & Cabinet are recommended to consider the current opportunity to secure Housing Zone support towards the delivery of the Catford regeneration programme and to agree to the submission of a bid for support from the GLA. External support, particularly in the form of grant funding would have a substantial benefit to the deliverability of the Catford programme and to the outcomes which the scheme can achieve.

13. **Report originator**

13.1 If there are any queries on this report please contact Gavin Plaskitt, Senior Programme Manager on 020 8314 6398.