

<b>Housing Select Committee</b>			
<b>Title</b>	New Homes, Better Places Programme Update		
<b>Key decision</b>	No	<b>Item no</b>	3
<b>Wards</b>	All		
<b>Contributors</b>	Executive Director for Customer Services		
<b>Class</b>	Part 1	6 July 2016	

## 1 Summary

- 1.1 In July 2012 the Council embarked on a programme to build new Council homes in response to a series of on-going housing policy and delivery challenges, most notably an enduring under-supply of new affordable homes available to the Council to meet the housing demands placed upon it.
- 1.2 A series of update reports has subsequently been provided to Housing Select Committee outlining progress in meeting the target of delivering 500 new homes for rent, plus an additional 125 homes for sale to subsidise the build costs for the affordable homes, by March 2018. The purpose of this report is to provide a further update to Committee
- 1.3 The first scheme of six homes was completed in March 2015 at Mercator Road in Lee, a further 10 homes have been completed across a range of conversion projects and there are currently 203 homes on-site across 7 projects. In partnership with Lewisham Homes, and other partners, plans are currently being finalised for development of a further 528 homes, all of which are expected to start on-site by March 2018.
- 1.4 The first scheme of six homes was completed in March 2015 at Mercator Road in Lee, since then a further 10 homes have been completed and there are currently 203 homes on-site across eight projects including:
- 24 innovative new temporary homes for homeless families at PLACE/Ladywell which will complete in July;
  - The conversion of a former care home into a new 22 unit homeless hostel at Hamilton Lodge, Forest Hill, which will complete in September;
  - 69 new homes in total, of which 61 will be permanent social rented housing let at target rents, across three sites being developed by Lewisham Homes, which will complete in the spring of 2017;
  - A new 60 home state of the art extra care facility for older residents at Hazelhurst Court in Bellingham, developed in partnership with Phoenix Community Housing including through investment from the Council, which will complete in the spring of 2017
  - 26 new affordable home ownership homes, developed in partnership with Pocket Living at Marischal Road in Lewisham Central, which will complete in the autumn, with all of the new homes available only to people who live or work in Lewisham.

- 1.5 In partnership with Lewisham Homes, and other partners, plans are currently being finalised for development of a further 528 homes, all of which are expected to start on-site by March 2018. Of these 528 homes, 256 have been approved by Mayor and Cabinet for development, and are at various stages in the planning process.
- 1.6 This report makes recommendations to bring forward two projects, which will deliver 19 homes in total, to demolish two disused premises to facilitate this and other future developments, and to enable the disposal of a property, as set out in part 2 of this report, in order to provide further funding toward the development programme.

## **2 Policy Context**

- 2.1 Addressing issues relating to the quality and quantity of housing stock in the borough relates directly to the Council's Sustainable Communities Strategy (clean, green and liveable) and to the Council's corporate priorities (Decent Homes for all).
- 2.2 The New Homes Better Places Programme is an important part of implementing the Housing Strategy 2015-20, particularly Key objective 2: "building the homes our residents need".

## **3 Recommendations**

- 3.1 It is recommended that Committee notes the contents of the report and the progress made to date towards reaching the Council's New Homes targets.

## **4 Background and progress to date**

- 4.1 In July 2012 the results of a technical and financial appraisal of the options available to the Council to meet the growing pressure on housing in the borough and London were presented to Mayor and Cabinet. As a result, the "Housing Matters" programme was launched, and had as one of its three objectives the target to build 250 new homes by 2017. The target has since been increased to 500 new Council homes by 2018 in a mixed tenure programme where a small percentage (20 percent target) of the total programme may be built for sale to cross-subsidise the delivery of new social rented homes.
- 4.2 It was agreed that Lewisham Homes would act as the Council's delivery and development agent, project managing the design and construction process. The Council remains as the freeholder, so that the resources to support the programme are decided by the Council, the Council retains decision making authority and enters into contracts.
- 4.3 Construction works completed in March 2015 for a small development of six family homes on a garage site on the Mercator Road estate in Lee. Although small, the development was intended to act as both a pilot site to develop the best approaches to bringing forward new homes, and also an exemplar site to demonstrate to residents on future sites the high-quality and resident-centred approach that was to be taken with the new build programme generally.
- 4.4 Since that time 10 new homes have completed across a range of conversions projects, so that to-date 16 new homes have completed. A further 201 new homes are currently on-site across 7 projects, of which the next completions are expected at PLACE/Ladywell in June, Hamilton Lodge in September and Marischal Road in November. Looking forwards, the future programme contains 13 approved projects which will be delivered in the main by Lewisham Homes, and a further 17 potential projects which contain 272 homes.
- 4.5 For all of these homes the previously agreed tenure split of 80 per cent social rented and 20 per cent private sale will continue to apply in order for sales proceeds to cross-subsidise the construction of new social housing. Further sites, as identified in

the programme in **Appendix A** will continue to be brought forward in order to reach the target of 500 new social rented Council homes by 2018.

## 5 Design development

- 5.1 Sites for new homes have generally been identified with the following criteria:
- Preference for sites with a capacity of more than 10 homes
  - Underused and or redundant land
  - Locations which are popular for both rented and homes for sale
  - Places which may benefit existing as well as new residents
- 5.2 The development programme is now at significant scale, with 27 projects being led by Lewisham Homes alone. This scale means that further resources will be required to maintain progress at relevant points to address specific pressures as they arise.
- 5.3 One such current pressure relates to the demand on the Planning Service to respond to plans for 27 schemes before and during the decision making process. In response to this two full-time Planners have been allocated to work specifically on the New Homes, Better Places programme, with two new members of staff being recruited to cover their existing workload. This arrangement will enable Lewisham Homes to have much greater certainty about the pace at which the programme can be delivered.

## 6 Programme

- 6.1 **Appendix A** provides a summary on a project-by-project basis of all projects currently being delivered as part of this programme, which has been summarised in the table below

Stage	Council Homes	Sale Homes	Total
Complete	15	1	16
On-site	167	34	201
Awaiting Planning decision	24	11	35
Early planning stage – expected start by March 2018	402	97	499
Sub-total	608	143	751
Percentage	80.8%	19.2%	100%

## 7 Financial implications

- 7.1 The purpose of this report is to provide Committee with an update on the “New Homes, Better Places” Programme, and as such, has no direct financial implications.
- 7.2 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.
- 7.3 In addition to this, the Council’s General Fund Capital Programme currently includes provision of £12m for new build and property, including hostels acquisition.
- 7.4 Where schemes are of mixed developments, which include sales, the sales receipts generated will be reinvested back into the new build programme.
- 7.5 More detailed financial analysis of each scheme will be undertaken as they are developed and reported to Mayor & Cabinet at a later date.

## 8 Legal Implications

- 8.1 The Council has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. The existence of the general power is not limited by the existence of any other power of the Council which (to any extent) overlaps the general power. The Council can therefore rely on this power to carry out housing development, to act in an “enabling” manner with other housing partners and to provide financial assistance to housing partners for the provision of new affordable housing. In accordance with General Consent A3.1.1 of The General Housing Consents 2013 the Council may dispose of dwelling houses on the open market at market value.
- 8.2 Some of the proposals set out in this report are at an early stage of development. Detailed specific legal implications will be set out in subsequent reports to Mayor & Cabinet/Mayor & Cabinet (Contracts) as appropriate. Section 105 of the Housing Act 1985 provides that the Council must consult with all secure tenants who are likely to be substantially affected by a matter of Housing Management. Section 105 specifies that a matter of Housing Management would include a new programme of maintenance, improvement or demolition or a matter which affects services or amenities provided to secure tenants and that such consultation must inform secure tenants of the proposals and provide them with an opportunity to make their views known to the Council within a specified period. Section 105 further specifies that before making any decisions on the matter the Council must consider any representations from secure tenants arising from the consultation. Such consultation must therefore be up to date and relate to the development proposals in question.

## 9 Equalities Implications

- 9.1 The provision of new homes will help the Council to address the general shortfall of affordable housing in the borough. There are more than 8,000 households currently on the Council’s waiting list for housing, and less than 1,500 properties become available each year. The New Homes Better Places programme helps to address this issue by directly adding to the Council’s housing stock.
- 9.2 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/legaland-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 9.3 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
  2. Meeting the equality duty in policy and decision-making
  3. Engagement and the equality duty
  4. Equality objectives and the equality duty
  5. Equality information and the equality duty
- 9.4 The essential guide provides an overview of the equality duty requirement 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-equalityduty/guidance-on-the-equality-duty/>

## 10 Environmental Implications

- 10.1 There are no environmental implications arising directly from the recommendations set out in this report. The design stages of all sites under consideration under the New Homes, Better Places programme will address environmental issues through the procurement of design partners and the planning process. The programme has a stated objective of improving places for existing residents as well as the residents who will benefit from the new homes.

## 11 Crime and Disorder Implications

- 11.1 The design of the new homes will incorporate recommendations from the police via the Secured by Design principles.

## 12 Background documents and originator

- 12.1 The background papers supporting this decision are:

<b>Title</b>	<b>Date</b>	<b>File Location</b>	<b>Contact Officer</b>
New Homes, Better Places Phase 3 Update	14 January 2015	Available at this <a href="#">link</a>	Jeff Endean
New Homes, Better Places Programme Update	15 November 2015	Available at this <a href="#">link</a>	Jeff Endean

- 12.2 If you would like any further information on this report please contact Jeff Endean, Housing Strategy and Programmes Manager on 020 8314 6213.

## Appendix A – Council Home Development Programme

Scheme Name	Ward	Council Homes	Sale	Total	Start on Site	Anticipated Completion	Status
<b>Current Approved Programmes</b>							
Mercator Road (new build)	Lewisham Central	6	0	6	Complete	Complete	Complete
Slaithwaite Community Room (conversion)	Lewisham Central	1	0	1	Complete	Complete	Complete
Forman House (conversion)	Telegraph Hill	2	0	2	Complete	Complete	Complete
161-163 Deptford High Street (hostel acquisition)	Evelyn	2	0	2	Complete	Complete	Complete
Angus Street (conversion)	New Cross	1	0	1	Complete	Complete	Complete
28 Deptford High St (hostel acquisition)	New Cross	3	0	3	Complete	Complete	Complete
Ashmead Road (conversion)	Brockley	0	1	1	Complete	Complete	Complete
PLACE / Ladywell (new build)	Lewisham Central	24	0	24	Sep 2015	Jul 2016	On-site
Hamilton Lodge	Forest Hill	22	0	22	Apr 2016	Sep 2016	On-site
Marischal Road (low cost home ownership)	Lewisham Central	0	26	26	Oct 2015	Nov 2016	On-site
Dacre Park South (new build)	Blackheath	25	0	25	Dec 2015	Feb 2017	On-site
Longfield Crescent (new build)	Forest Hill	27	0	27	Jan 2016	Mar 2017	On-site
Hazelhurst Court (Extra Care)	Bellingham	60	0	60	Oct 2015	Mar 2017	On-site
Wood Vale (new build)	Forest Hill	9	8	17	Jan 2016	May 2017	On-site
Honor Oak Housing Office (conversion)	Telegraph Hill	5	0	5	2016/17 Q1	2016/17 Q4	Resident consultation
Hillcrest (conversion)	Sydenham	3	0	3	2016/17 Q1	2016/17 Q3	Early design stage
Pepys Housing Office (conversion)	Evelyn	5	0	5	2016/17 Q2	2017/18 Q1	Resident consultation
Dacre Park North (new build)	Blackheath	0	5	5	2016/17 Q1	2016/17 Q4	Planning consented
Hatfield Close (conversion)	New Cross	1	0	1	2016/17 Q1	2016/17 Q2	Early design stage
Hawke Tower (conversion)	New Cross	1	0	1	2016/17 Q2	2016/17 Q3	Early design stage
Rawlinson House (conversion)	Lewisham Central	1	0	1	2016/17 Q2	2016/17 Q3	Early design stage
Kenton Court (new build)	Bellingham	24	11	35	2016/17 Q2	2018/19 Q1	Planning Application
Eliot Bank & Knapdale Close (new build)	Forest Hill	20	24	44	2016/17 Q4	2018/19 Q4	Detailed design stage
Church Grove Self-Build	Lewisham Central	7	26	33	2017/18 Q1	2020/21 Q1	M&C Approved
Somerville Estate (new build) [community centre]	Telegraph Hill	32	20	52	2017/18 Q2	2018/19 Q3	Detailed design stage
Campshill Road (Extra Care)	Lewisham Central	45	6	51	TBC	TBC	Scheme currently under review
Forster House	Whitefoot	22	0	22	2016/17 Q2	2018/19 Q1	Planning consented
Grace Path (new build)	Sydenham	6	0	6	2016/17 Q4	2017/18 Q4	Early design stage
Silverdale Hall (new build) [community centre]	Sydenham	13	0	13	2016/17 Q4	2017/18 Q4	Early design stage
<b>Total</b>		<b>367</b>	<b>127</b>	<b>494</b>			

Scheme Name	Ward	Council Homes	Sale	Total	Start on Site	Anticipated Completion	Status
<b>Future Potential Programmes</b>							
Crofton Park (new build)	Crofton Park	4	0	4	2016/17 Q4	2017/18 Q4	Early design stage
Milton Court Road (new build)	New Cross	25	0	25	2016/17 Q4	2017/18 Q4	Early design stage
Marnock Road (new build)	Crofton Park	0	6	6	2016/17 Q4	2017/18 Q4	Early design stage
Embleton Road sites (new build)	Ladywell	12	4	16	2016/17 Q4	2018/19 Q2	Early design stage
Wellmeadow Road (new build)	Lewisham Central	20	0	20	2016/17 Q4	2018/19 Q2	Early design stage
Allison Close (new build)	Blackheath	0	6	6	2017/18 Q1	2018/19 Q1	Early design stage
Endwell Road (new build)	Telegraph Hill	19	0	19	2017/18 Q1	2018/19 Q2	Early design stage
Dacres Road (new build)	Perry Vale	17	0	17	2017/18 Q1	2018/19 Q3	Early design stage
Honor Oak Community Centre (re-build) [community centre]	Telegraph Hill	57	0	57	2017/18 Q2	2018/19 Q4	Scheme currently under review
Hillcrest Estate (new build)	Sydenham	42	0	42	2017/18 Q2	2018/19 Q4	Early design stage
Bampton Estate Site 4 (new build)	Perry Vale	45	0	45	2017/18 Q2	2018/19 Q4	Early design stage
<b>Total</b>		<b>241</b>	<b>16</b>	<b>257</b>			
<b>Grand Total (Current Approved + Future Potential Programmes)</b>		<b>608</b>	<b>143</b>	<b>751</b>			

