

MAYOR AND CABINET			
Report Titles	Deptford Reach Development		
Key Decision	Yes		
Ward	New Cross		
Contributors	EXECUTIVE DIRECTOR FOR CUSTOMER SERVICES, EXECUTIVE DIRECTOR FOR RESOURCES & REGENERATION, HEAD OF LAW		
Class	Part 1	Date	9 November 2016

1. Summary

- 1.1 Deptford Reach are a registered charity who have been running a day centre for homeless people and rough sleepers in Lewisham for over 30 years. Deptford Reach currently own the land and building where the current day centre is located and wish to develop the site into 22 units of self-contained accommodation for single homeless people in Lewisham set at the Local Housing Allowance (LHA) rate. In addition, the building will have a community centre, café and business space - creating work/training opportunities for residents. Any surplus from the rental of the units will be reinvested into the charity to enable them to provide more services and reduce the reliance on external grants.
- 1.2 The estimated cost of the redevelopment is £3 million. Mayor and cabinet agreed in July 2015 to fund £924,000 of the costs through a s106 funded grant, but due to a funding gap, officers recommend increasing the overall grant to £1.5 million.
- 1.3 The Council will use the units as a pathway service for rough sleepers in Lewisham that complements the existing Single Homelessness Accommodation Pathway.

2. Purpose of Report

- 2.1 The purpose of this report is to provide an update on the planned Deptford Reach scheme and to recommend that the Mayor approves the use of an additional £576,000 of S106 receipts to fund the construction of a new 22 bed hostel by Deptford Reach.

3. Policy Context

- 3.1 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.

- 3.2 The scheme support the Sustainable Community Strategy 2008 – 2020 especially the priority outcomes Reducing inequality – narrowing the gap in outcomes for citizens; Clean, green and liveable – where people live in high quality housing and can care for and enjoy their environment and, Dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond.
- 3.3 Further, the development contributes significantly to the Council’s Housing Strategy for 2015 –2020 key objectives: Helping residents at times of severe and urgent housing need; Building the homes our residents need and Promoting health and wellbeing by improving our residents’ homes

And supports the Council policy priority:

- To offer relevant housing options, including supported housing, to vulnerable households in order to maintain or improve their health and wellbeing.
- To reduce rough sleeping in Lewisham to an absolute minimum
- To develop new specialised or supported housing for specific client groups, including learning difficulties, autism, mental health, single people with support needs and in particular to deliver a programme of extra care housing for older people.

4. Recommendations

It is recommended that the Mayor:

- 4.1 Having considered the relevant benefits and risks associated with the funding of the Deptford Reach development project, agrees that the Council should increase the grant funding for the development, from £924,000 to £1,500,000 using S106 funding; and
- 4.2 Delegates authority to the Executive Director for Resources and Regeneration, in consultation with the Executive Director for Customer Services and Head of Law, to finalise the terms of the grant agreement with Deptford Reach for the S106 funding.

5. Background and proposal

- 5.1 Deptford Reach is a registered charity which has run a day centre for homeless people and rough sleepers in Lewisham for over 30 years. Deptford Reach owns the land and building where the current day centre is located and has developed plans to rebuild on its land to provide 22 units of self-contained accommodation for single homeless people in Lewisham as well as a new day centre. Deptford Reach achieved outline planning consent for its plans in March 2014.
- 5.2 The Council would have full nomination rights to the units.

- 5.3 As well as providing much needed accommodation and support for single homeless clients, the development would also provide Deptford Reach with a long-term income stream.
- 5.4 Officers reported to Mayor and cabinet in July 2015 the opportunity to part fund the development. Against other funding options, the Council providing grant funding allows Deptford Reach to develop, manage and own the new units allowing them to remain independent. The Mayor agreed to use £924,000 of s106 funding to partially fund the scheme.
- 5.5 As part of the same report, Mayor and cabinet were advised that St Mungo's Broadway were bidding for funding through the Mayors 2015-18 Homelessness Change fund to refurbish their Pagnell Street hostel. Officers believed that there was an opportunity for the two organisations to work together to develop the Deptford Reach scheme given Deptford Reach's inexperience in providing hostel accommodation. Unfortunately, the St Mungo's bid was unsuccessful and so the partnership did not develop.
- 5.6 Deptford Reach have secured expertise in housing development to project manage the development and have continued to secure funding through other grants and borrowing, but there is a funding gap of £576,000 against the estimated cost of the development.
- 5.7 To bridge this funding gap, officers have been in discussions with Deptford Reach to increase the Council's grant to £1.5 million through s106 affordable housing contributions. This will be half of the estimated £3m development costs. As set out in paragraph 5.4 above, the Mayor has previously agreed to £924,000 of funding. For the remaining amount, £129,477.84 is available from the Washington Building Deals Gateway (DC/10/74108) agreement, £10,650 is available from the Hindsleys Place (DC/08/67914) agreement and £435,872.16 is available from the Land to the North 54b Trundleys (DC/14/88613) agreement. The Council's commitment to fund half of the development costs will allow Deptford Reach to secure the final funding in order to commence the otherwise stalled development.
- 5.8 To mitigate the risk to the Council, Deptford Reach have been advised that the Council's contribution is dependent on the £3 million development costs being fully funded. Additionally, the release of funds would be through instalments at key milestones to be agreed. Officers would also represent the Council on the project board.

6 Financial implications

- 6.1 The Council will contribute an additional £576,000 to the funding of the Deptford Reach development project through the application of S106 receipts. These receipts were paid to the Council in relation to the Washington Building Deals Gateway, Hindsleys Place, and 54b Trundleys Road planning agreements for the purpose of providing Affordable Housing.
- 6.2 There are no direct revenue costs or savings arising from this proposal although support for this project may help reduce demand on other related services provided by the Council in future.

7 Legal Implications

- 7.1 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 provide financial assistance to Deptford Reach for the provision of new affordable housing in the form of 22 units of self-contained accommodation for single homeless people in Lewisham.
- 7.2 The report recommends providing the additional grant funding from S106 funds. Each of the planning obligations place a requirement on the part of the Council to apply the money for the purposes for which it was secured.
- 7.3 The money received from the Washington Building development is required to be used for "Off site affordable housing provision". This is defined as "the provision of residential accommodation where the rent or price is reduced directly or indirectly by means of public or private subsidies such as it can be afforded by persons or families on low incomes or in low paid employment".
- 7.4 The money received from the Hindsleys Place agreement was paid for the purpose of "providing affordable housing within the London Borough of Lewisham". The term "Affordable Housing" being defined the same as in paragraph 7.3 above.
- 7.5 Finally the money received from the agreement for Land to the North of 54b Trundleys Road was required to be used to provide off-site affordable housing units. That agreement defines "Affordable Housing" as "residential accommodation where the rent or price is reduced directly or indirectly by means of public or private subsidies such that it can be afforded by persons or families on low incomes or in low paid employment or otherwise defined as essential to the local community or economy who would otherwise not be able to afford it".
- 7.6 The report, in the summary above, states that the money will be used to provide 22 units of self-contained accommodation for single homeless people in Lewisham set at the Local Housing Allowance (LHA) rate. If the LHA means that it is affordable to people on low incomes or low paid employment then this would fulfil the obligations to provide the affordable housing required by the planning obligations. However to ensure that the Council meets its legal obligations contained within the planning obligations set out in paragraphs 7.3-7.5, the Council will need to enter into a funding agreement with Deptford Reach which requires that they use the moneys for the purposes for which it was received by the Council.
- 7.7 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 5 April 2011.
- 7.8 The duty consists of the 'general equality duty' which is the overarching requirement or substance of the duty, and the 'specific duties' which are intended to help performance of the general equality duty.

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

7.10 In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

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

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

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

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

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

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

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

8 Crime and Disorder Implications

8.1 The new provision that is proposed in this report will provide a better housing option for a range of client groups, including potentially for resettling residents out of the criminal justice system into mainstream housing, and in so-doing would contribute positively to the Council's objectives for supporting residents and managing crime and disorder.

9 Equalities Implications

9.1 The report contains recommendations which will improve provision for some of Lewisham's most vulnerable residents, and as such will have a positive impact for a range of equalities groups.

10 Environmental implications

10.1 There are no environmental implications arising directly from this report.

11 Background documents and originator

Title Document	Date	Location
Homeless Hostel Investment Programmes	Mayor and Cabinet July 2015	4th Floor Laurence House

11.1 If you would like any further information on this report please contact James Ringwood on 020 8314 7944.