

	<b>MAYOR AND CABINET</b>		<b>Item no.</b>
<b>Report Titles</b>	Brasted Close Housing Development		
<b>Key Decision</b>	Yes		
<b>Ward</b>	SYDENHAM		
<b>Contributors</b>	EXECUTIVE DIRECTOR FOR CUSTOMER SERVICES, EXECUTIVE DIRECTOR FOR RESOURCES & REGENERATION, HEAD OF LAW		
<b>Class</b>	Part 1	Date	22 March 2017

## 1. Summary

- 1.1 Lewisham, and London more generally, faces severe housing pressures across all tenures. A combination of historic and on-going lack of new supply, welfare reform and rising property prices and rents has led to rapidly increasing demand in all tenures
- 1.2 In order to respond to this increased demand and to provide a greater range and volume of housing options to enable the Council to meet its statutory obligations, officers are pursuing a wide range of new housing development approaches in order to meet demand. One such approach is working with Community Land Trusts (CLT).
- 1.3 Community Land Trusts (CLTs) are a way of providing genuinely and permanently affordable new homes either for rent or low cost ownership, and as such offer one model to address the growing gap in the housing market between people who qualify for social housing and people who can afford to buy their own home. Community-led development also has the potential, in time, to diversify the ways that new homes are created. Schemes of this nature also have the potential to offer a range of ancillary benefits including that:
- New projects tend to be build more densely when they are designed by community groups, as they tend to include shared rather than private open spaces, thereby maximising the efficient use of land;
  - community-led schemes can create a greater sense of ownership over places, generated by people co-designing their homes and shared spaces;
  - schemes of this nature tend to be designed with a much stronger focus on long term environmental sustainability;
  - CLTs are the only affordable housing model that has not been affected by wider policy changes such as the 1% rent reduction, or the extension of the right to buy regulations.

- 1.4 The Housing Strategy 2015-2020 has a commitment to work with our communities and partners in order to maximise our ability to deliver well defined and affordable new homes for Lewisham and an objective to work with and support resident-led development. Lewisham is one of the leading authorities in the country on working in partnership with CLT's on affordable housing developments. The Council is already working with The Rural Urban Synthesis Society Community Land Trust (RUSS) on a site in Church Grove which will provide 33 affordable homes in the borough.
- 1.5 A further potential development site for a CLT has been identified in Brasted Close, Sydenham. Following permission from the Mayor and Cabinet in March 2016, officers have been working with the London Community Land Trust and Lewisham Citizens to develop plans for the site which currently has 17 garages.
- 1.6 Working closely with the local community, plans are developing for 14 new homes to be built on the site. These homes will be for sale with the value linked to local median income in perpetuity.
- 1.7 This report includes information on the community engagement to date, the developing plans and on the further consultation carried out with residents on the extended site boundaries.
- 1.8 This report also contains information about a grant that the Council has received from the "Community Housing Fund administered by DCLG. This amounts to £37,747, and can be used at the discretion of the Council to support community led approaches to housing development. A further £37,747 will be available in 2017/18 subject to the Council allocating the funding from this year to community-led schemes. As there are two live community-led development projects in Lewisham, this report recommends that officers work with the groups leading those two projects to identify who the funding can best support them, and that options for grant funding the allocation for 2017/18 be considered at a later point as these schemes progress.
- 1.9 This report is divided into two parts. Part 1 sets out the summary and background to what is proposed. The Part 2 section of the report looks at the commercially sensitive issues around the financial arrangements for the disposal.

## **2. Purpose of Report**

- 2.1 The purpose of this report is to provide an update on the work carried out by officers, the London Community Land Trust and Lewisham Citizens since the Mayor and Cabinet's decision of March 2016. To note the outcome of the recent s105 consultation carried out. To request that the Mayor approves disposal of the site for the provision of affordable housing and to approve the wider approach to and support for community-led development in the borough.

## **3. Policy Context**

- 3.1 The scheme supports 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.
- 3.2 The scheme also supports the Lewisham's Core Strategy which has the objective to make provision for the completion of an additional 18,165 net new dwellings from all sources between 2009/10 and 2025/26, to meet local housing need and accommodate the borough's share of London's housing needs. This aims to exceed the London Plan target for the borough. The Core Strategy also has the objective to make provision to meet the housing needs of Lewisham's new and existing population, which will include:
- provision of affordable housing
  - a mix of dwelling sizes and types, including family housing
  - lifetime homes, and specific accommodation to meet the needs of an ageing population and those with special housing needs
  - bringing vacant dwellings back into use.

#### **4. Recommendations**

It is recommended that the Mayor:

- 4.1 notes the work carried out by officers, the London Community Land Trust and Lewisham Citizens to develop plans for the site;
- 4.2 having considered the responses to the further statutory Section 105 consultation, agrees to declare the garage site on the Brasted Close estate shown by heavy outline on the attached plan surplus to the Council's requirements;
- 4.3 having considered the confidential information contained in Part 2 of this report, agrees to enter into a long-term lease of not less than 125 years with the London Community Land Trust for the site;
- 4.4 agrees to the financial arrangements detailed in Section 6 of the Part 2 report;
- 4.5 delegates authority to the Executive Director for Resources and Regeneration, in consultation with the Executive Director for Customer Services and the Head of Law, to negotiate and agree the final terms of the lease and all other associated legal agreements with the London Community Land Trust; and
- 4.6 notes the information contained in section 9 of this report in relation to the DCLG Community Housing Fund, and agrees that officers consider options for using this grant to enable the two current community-led developments in Lewisham, at Brasted Close and at Church Grove with RUSS

#### **5. Background and progress**

- 5.1 On 23 March 2016 the Mayor approved a report to allow officers to work with the London Community Land Trust (CLT) and Lewisham Citizens to develop plans for an

affordable housing development on the garage site of the Brasted Close estate.

- 5.2 There are currently 17 garages on the site, 15 of which are currently in use with only 4 being let to current residents of the estate. Officers wrote to all garage tenants in June 2016 advising them of the proposal and providing information on how to access another garage at an alternative location should the development proceed.
- 5.3 Following the decision of March 2016, the London Community Land Trust and Lewisham Citizens have been engaging with local residents to develop the plans for the site. The following is a summary of the engagement to date:
- Community picnic in early July 2016 to introduce the organisations and start to get feedback from residents.
  - Open meetings in late summer 2016 to discuss aspirations and fears about the scheme and to set the criteria for selecting an architectural partner.
  - ‘Pick the architect’ event in September 2016, where a number of architects practices presented to residents who then chose the practice they preferred.
  - Community Engagement event held over 3 days in mid-October 2016, where the selected architects – Archio – spoke to residents on site to begin the design process. Approximately 30 residents and 48 students and staff from the neighbouring school attended.
  - A Residents Steering Group has been established, with the first meeting held in January 2017. It is intended that the group will be meeting monthly.
- 5.4 The community engagement has allowed Archio to develop a scheme addressing the key concerns raised by residents around pedestrian access, overlooking, height, privacy and parking.
- 5.5 Discussions have commenced with the Planning department for a development of 14 homes with range of bed sizes. Subject to the Mayor’s approval to dispose of the site, a full planning application is expected to be submitted this spring.

## 6. Affordability and allocation

- 6.1 The CLT homes at Brasted Close will be priced according to local earnings, ensuring that local people are able to live in the local area. ‘Local earnings’ are taken as the average of median incomes using data published by the Office for National Statistics in November each year. Based on 2016 figures, the following table compares the estimated price of a CLT home at the location against the full market value:

	<b>Price of CLT home</b>	<b>Price of open market value</b>
1 bedroom	£161,000 – 174,000	£350,000
2 bedroom	£209,000 – 235,000	£450,000
3 bedroom	£209,000 – 235,000	£550,000

- 6.2 CLT homes are about providing people with a home, not just an asset. The contract signed by new residents makes sure that future sales are again at a price according to local earnings. This means that when homes are sold on, the value will be at a similarly affordable level.

- 6.3 It is anticipated that the properties will be very popular and oversubscribed, therefore a robust allocations policy will be required. The key principles of allocation are currently:
- Finance – priced out of the housing market and able to afford a London CLT home.
  - Housing Need – require a property more suitable than their current accommodation.
  - Connection – have a minimum of five years' connection to the borough.
  - Involvement – belong to and participate in the local community
  - Be supportive of the London CLT.
- 6.4 Subject to agreement of the recommendations contained within this report and planning permission being obtained, officers will work with the CLT to finalise an allocations policy including how much weight will be applied to each criteria.

## **7 Section 105 Consultation**

- 7.1 Given the proximity of the site to secure tenants living in the surrounding area, officers have carried out a statutory S105 consultation with those tenants about the potential disposal of the site to enable the construction of new homes. A copy of the letter that was sent to residents, including a site plan can be found at Appendix A to this paper.
- 7.2 This is the second S105 consultation. The first was in January 2016 and the results were presented to Mayor and Cabinet on 23 March 2016. This second S105 consultation has been carried out as the developing plans require additional land to the original proposal.
- 7.3 The site boundary now includes two sets of pram sheds. One set is in a very poor condition and one set is in a good condition. As there was no record of usage and no rent is being charged, Lewisham Homes placed notices on the sheds to request that anyone using them declares their use. Two residents have come forward to confirm usage of sheds. At this stage no decision has been made on whether the used sheds will remain in situ or an alternative location will be found. This will depend on whether the final plans require building on their current location.
- 7.4 In addition to the statutory consultation, officers also wrote to leaseholders and freeholders on the estate.
- 7.5 The consultation letters were hand delivered on 7 February 2017 and the consultation ran for 21 days. In that time none of the 46 secure tenants have responded. One response was received from a freeholder who has shown concern over the proposal.
- 7.6 The main issues raised by the respondent expressing concern, are summarised as follows:
- the potential loss of some grassed area for children to play
  - increased parking pressures
  - maintaining access through the estate
  - improvement works to the current estate

The Council's response is summarised as follows:

- The London CLT and Lewisham Citizens have been focussed on providing better public space such as a community garden or play space as part of the development which will be open to all residents. Feedback to date from some residents is that the proposed site is not overlooked and therefore they feel uncomfortable with allowing their children to play there. The preparation for the planning application has included a provision for communal green/play space.
- All parties are acutely aware of the concerns around additional parking. The current known garage use suggests that local vehicles are not being parked in the garages and so the loss of the garages should not have a negative impact on parking. No decision has yet been made in relation to what parking, if any, there will be for the new development with the possibility that the development could be car free. However, this is subject to planning permission. There is no intention to allow vehicles from a new development to be permitted to park on the current estate and in order to enforce this, Lewisham Homes could engage a parking contractor to manage parking on the estate.
- The plans being developed include improved pedestrian access through the site.
- The estate is managed by Lewisham Homes who are responsible for day to day repair. The feedback from the respondent has been given to the London CLT to consider whether budgets would allow for any improvements on the estate.

## **8 Disposal of the land**

8.1 The details for land disposal are contained in Part 2 of the report.

## **9. Community Housing Fund**

9.1 In December 2016 DCLG announced the creation of a Community Housing Fund, which was to have the purpose of “tackling the problem of high levels of second homeownership” by “putting local groups in the driving seat and helping them deliver affordable housing aimed at first-time buyers in response to the problem second homes can cause in reducing supply.”

9.2 Lewisham does not have high levels of second home ownership, and has therefore only received £37,747 this year from the £60m fund. The same amount of funding is available in 2017/18, subject to the funding for this year being allocated in line with the objectives of the fund.

9.3 The fund objectives include:

- enabling local community groups to deliver affordable housing units of mixed tenure on sites which are likely to be of little interest to mainstream housebuilders
- contributing to the overall national effort to boost housing supply.
- building collaboration, skills and supply chains at a local level to promote the sustainability of this approach to housebuilding.
- enabling capital investment, technical support and revenue to be provided to make more schemes viable
- significantly increasing community groups’ current delivery pipelines

- 9.4 While the sum available may not be significant in the context of the Council's wider housing development pipeline, it is nonetheless potentially very helpful in aiding the two community led schemes that are progressing in Lewisham at present. Those are the Brasted Road scheme detailed in this report and the self-build scheme with RUSS at Church Grove in Ladywell.
- 9.5 On both of these schemes there is sufficient long term funding available to the groups to enable development, but mostly this is not available until after a satisfactory planning consent has been achieved. It is therefore recommended that the most efficient use of the funds available now is to engage in dialogue with both projects about how a share of this funding could enable their schemes to progress to planning more quickly, or otherwise to enable the developments to achieve the aims that the Council has of them.
- 9.6 Officers have been in close contact with both the GLA and the DCLG about community housing generally and the use of this funding specifically. Lewisham is increasingly seen as leading the agenda in relation to community development, with two live projects, and there are opportunities in the future to utilise these regional partnerships to help our community led partners to develop their plans at a larger scale. Therefore it is proposed that the use of the second tranche of the fund is revisited during the next financial year, and once the two schemes are progressing, to review at that stage how it might be most usefully deployed.

## **10. Legal implications**

- 10.1 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.
- 10.2 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. 10.3 Further legal implications are contained in Part 2 of the report.

## **11. Financial implications**

- 11.1 The financial implications are dealt with in Part 2 of the report.

## **12. Environmental Implications**

- 12.1 Any new housing provided will be built to the standards required by planning as a minimum and wherever possible, in design or viability, include higher and more innovative environmental elements.

## **13. Implications for Law & Disorder**

- 13.1 There are no specific crime and disorder implications.

## **14. Equality Implications**

- 14.1 An Equalities Analysis Assessment has been undertaken and is appended to this report. Officers will keep this under review as the scheme progresses
- 14.2 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 14.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 14.4 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 14.5 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legaland-policy/equality-act/equalityact-codes-of-practice-and-technical-guidance/>
- 14.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

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

- 14.7 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-sectorequalityduty/guidance-on-the-equality-duty/>

## **15. Background papers and author**

- 15.1 Appendix 1 - Equalities Analysis Assessment for Brasted Close redevelopment, March 17
- 15.2 Brasted Close Housing Development, Mayor & Cabinet Part 1 report, 23<sup>rd</sup> March 2016.
- 15.3 For more information on this report please contact James Ringwood, Strategic Housing on 020 8314 7944.