

Mayor and Cabinet			
Title	New Homes Programme Update		
Key decision	Yes	Item no	
Wards	All wards		
Contributors	Executive Director for Customer Services, Executive Director for Regeneration and resources, Head of Law		
Class	Part 1	November 15 2017	

1 Purpose of report

- 1.1 This report provides an update on progress in delivering the Council's new homes programme, New Homes, Better Places. Good progress continues to be made - in 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.
- 1.2 This report sets out details of a proposed development of a garage site at Algernon Road in Ladywell, including the results of an initial consultation on the design development for the scheme. The report recommends that the Mayor agrees to Lewisham Homes submitting a planning application to deliver five new Council homes on the site, comprised of 1x two-bed house and 4 x three-bed houses
- 1.3 Finally the report contains details of a successful early expression of interest in funding of £13m from the GLA's Innovation Fund. The Innovation Fund seeks to support new approaches to affordable housing delivery. Officers have been in dialogue with the GLA about securing an allocation for Lewisham to fund the construction of four of the projects, of 140 homes in total, that are contained within the 500 home programme set out above. This would be to enable the approach to construction that was developed for PLACE/Ladywell to be evolved as part of the mainstream delivery of new Council homes in Lewisham.

2 Summary

- 2.1 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 housing demand.

- 2.2 A series of update reports has subsequently been considered by Mayor and Cabinet and Housing Select Committee outlining progress in meeting the target of starting 500 new Council homes for social rent in 2018.
- 2.3 87 new social homes have now been completed, a further 124 are on-site and being delivered. A further 112 homes have awaiting submission by a planning committee. This means that 323 homes are underway in some form, which is 65% of the 500 home target. In addition there are a further 12 projects on which design development is advancing and which have the capacity to provide around 183 new Council homes and which have the potential to be submitted for planning consideration by Spring 2018. The programme therefore contains a total of 506 homes which are expected to start during 2018. A full summary of the development programme is appended to this report as appendix A.
- 2.4 The report provides a summary of consultation activity to date on a scheme at Algernon Road, and recommends that Lewisham Homes finalises these plans and submits a planning application for the development.
- 2.5 Finally the report sets out details of negotiations between officers and the GLA to secure around £13m of grant funding to support the construction of 140 homes within the 500 home programme, and recommends that the Mayor agrees that officers may formally bid for this funding and that the authority to finalise the detailed terms should be delegated to the Executive Director of Resources and Regeneration, in consultation with the Head of Law.

3 Recommendations

- 3.1 It is recommended that the Mayor:
- 3.2 Notes the progress update on the New Homes, Better Places Programme;
- 3.3 Notes the design development and consultation which has been carried out on the proposed re-development of the garages at Algernon Close, including the statutory Section 105 Consultation summarised at section 6.7
- 3.4 Having considered the responses to the statutory Section 105 consultation on the proposed re-development of the garages at Algernon Close, which are summarised in section 6.7 of this report, agrees that Lewisham Homes should proceed to submit a planning application to deliver five new Council homes on the site
- 3.5 Notes the success of the Councils Expression of Interest (EOI) to the GLA Innovation Fund, and current progress made towards finalising designs and overall programme costings for the four schemes
- 3.6 Authorises officers to bid for funding from the GLA Innovation Fund to deliver four of the projects within the 500 home programme using modern methods of construction in the same manner as at PLACE/Ladywell, at an estimated value of £14m, as set out at section 7 of this report.

- 3.7 Subject to the bid being successful, delegates authority for agreeing the terms of the grant agreements with the GLA to the Executive Director of Resources and Regeneration, in consultation with the Head of Law.

4 Policy context

- 4.1 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.

- 4.2 The proposed recommendations are also in line with the Council policy priorities:

- Strengthening the local economy – gaining resources to regenerate key localities, strengthen employment skills and promote public transport.
- Clean, green and liveable – improving environmental management, the cleanliness and care for roads and pavements and promoting a sustainable environment.

- 4.3 It 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

5 Recent Programme Achievements

- 5.1 Good progress continues to be made in delivering the target of 500 new Council homes to start on site by the end of 2018. 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.
- 5.2 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

- 5.3 Among the schemes that has been submitted for planning consideration in the past month is the development of new self-build homes at Church Grove that is being led by the Rural Urban Synthesis Society (RUSS). RUSS is a volunteer-led Community Land Trust which was selected by the Council through a competitive process to re-develop the site for affordable housing. The Council is providing the land on a long-lease to enable the development
- 5.4 The project will provide 33 new sustainable, high quality, self-build homes on a vacant site. The homes will be designed and built by its future residents. All dwellings will be targeted to local housing need. The breakdown of units is below:
- 4 x one-bedroom flats for rent for under-occupiers
 - 1 x large four-bed house for social rent
 - 2 x three-bedroom shared flats.
 - 8 x one & 6 x two bedroom flats for shared equity
 - 5 x three-bedroom, 2 x four bedroom houses, 1 x 1-bedroom and 4 x 2-bedroom flats for shared ownership.

6 Algernon Road Garages, Ladywell Ward (5 new homes)

- 6.1 The proposal for this site is to deliver five new family Council homes, replacing the existing use of ten garages and associated hardstanding. The site is bounded by Embleton Road to the west and Algernon Road to the east. The site is next to two post-war blocks of flats of two and three storeys, each with a central stairwell.

- 6.2 The new homes will be a mix of 1x 2-bedroom and 4 x 3-bedroom houses. A plan of the site in question, and an image of the proposed development can be found at Appendices B-D. All units for be for social rent
- 6.3 Two consultation events have been held for local residents to see the proposals, at drop in sessions, and comment on them (22 March and 28 June 2017). All residents within the vicinity of the proposed site were sent letters inviting them to the event.
- 6.4 Feedback forms were provided at the drop-ins, with the intention that any written feedback given at the event by secure tenants would be considered for the purposes of the formal consultation along with other written representations received.
- 6.5 The main issues which have been raised by local residents through the consultation are the design of the block, overlooking and disruption during the construction phase. Officers consider that all of these issues can be adequately addressed by the design team and through the planning process.
- 6.6 A formal consultation, under S105 of the Housing Act 1985, was commenced on 18 September 2017. 144 secure tenants who live in the vicinity of the proposed development were sent a formal S105 letter.
- 6.7 The consultation period ran for 24 days from 18 September 2017. A summary of consultation responses can be found in the table below, with officer responses to those.

S105 consultation response	Officer response
<u>Response 1</u> Expressed concern about loss of garage	Officers will look to ensure those who currently rent garages are offered a suitable alternative.

- 6.8 Given that officers consider that the concerns raised during the consultation can be adequately addressed, and because the site has been shown to have the potential to provide five new Council homes including family sized homes, the Mayor is recommended to approve Lewisham Homes to submit a planning application for five new homes on this site.

7 The GLA Innovation Fund

- 7.1 The GLA Innovation Fund has been set up as part of the new Mayor of London's approach to increasing the number of new affordable homes that are built in London. The role of the Innovation Fund specifically is to enable the development of new models of delivery, including community-led development of the type led by RUSS and discussed above, and utilising modern methods of construction of the type pioneered by the Council at PLACE/Ladywell.

- 7.2 Officers have been in close dialogue with the GLA about the potential to attract additional funding into the Council's delivery programmes, as the Council is bringing forward a range of delivery projects that including innovative models of the type supported by the Innovation Fund. These conversations have focussed on a range of options, and have led to in principle support, for instance, for the two community-led developments in the programme. If this is confirmed, the funding will be provided to the partners direct.
- 7.3 In particular though, the dialogue has focussed on whether GLA funding could be brought into the 500 home programme to support an expansion of the use of modern methods of construction of the type piloted at PLACE/Ladywell. In that project it was shown that by constructing homes in factory-controlled conditions it was possible to provide high quality homes quickly and in a financially viable manner.
- 7.4 The challenge for all housing providers now is to establish how this approach can start to contribute at a greater scale, above and beyond the pilot projects that the Council and some other organisations have delivered to date. To that it is proposed that a second wave of off-site manufactured sites is brought forward, to enable homes that are already planned for delivery within the 500 home programme to benefit from the additional speed and certainty on cost and delivery timetable that PLACE/Ladywell showed was possible.
- 7.5 All four of these developments have been designed with off-site manufacture in mind from the outset. Three are being developed in partnership with the consultant team that designed PLACE/Ladywell and the fourth has been designed by the architects working alongside Legal & General Homes, which has recently invested in a new factory for delivering off-site manufactured homes at scale.
- 7.6 The four projects are as follows:

Project	Location	Homes Delivered
Mayfield	Burnt Ash Hill, Lee Green Ward	47 Council homes
Kenton Court	Adamsrill Road, Bellingham Ward	25 Council homes
Home Park	Winchfield Road, Bellingham Ward	34 Council homes
Edward Street	Edward Street, Evelyn Ward	33 Homes for temporary accommodation

- 7.7 Following initial discussions and an expression of interest submitted by officers the GLA has provided in principle support to the programme. It has invited the Council now to finalise the four development designs and thereby fix the overall likely cost, and then to establish a fixed rate of grant funding. This is likely to be in the region of 35 per cent to 40 per cent of the total project costs, currently estimated at around £13m of investment into the Council's programme. The remainder of costs would then be covered through Council capital resources, subject to the usual and necessary approvals.

- 7.8 It is anticipated that construction works will start on site on the first of the projects in late summer 2018, with practical completion of all of them scheduled to take place by the end of 2019. At this stage however, these dates are indicative only, as planning consent has yet to be achieved and as officers are undertaking further work to establish designs, costs and the most appropriate procurement routes.
- 7.9 In line with the Council's Constitution, the Mayor is asked to agree that officers may formally bid for funding in line with the aims and terms set out above. The Mayor is also asked to agree that the authority for agreeing the detailed terms of the grant agreement with the GLA may be delegated to the Executive Director of Resources and Regeneration, in consultation with the Head of Law.
- 7.10 Despite the success of PLACE/Ladywell and other off-site manufactured projects across the UK, overall the construction market for this form of construction is in its infancy, but it is growing quickly and there is huge interest in how the value of modern technology can be captured to develop more homes, more quickly. For the Council, with its aim to maximise the number of new Council homes it builds, there is also an imperative to translate the cost savings new approaches such as this may offer, into lower cost housing for people in housing need.
- 7.11 To support officers in ensuring that a programme of this complexity, in a nascent market, can genuinely deliver value for money and manage risks, an advisory team has been appointed. This team is made up two organisations – Cast and Cogent – which have been instrumental in driving the development of this sector to date. For example the Chief Executive of Cast, Mark Farmer, wrote the Government's own review of the potential of new methods of construction, *"Modernise or Die"*, in 2016.
- 7.12 The work that this advisory team will provide will enable officers to advise the Council on the most advantageous approach for utilising new technology to provide better, cheaper and quicker to build new Council homes. This work is likely to complete in early 2018 and will be reported back to Mayor & Cabinet accordingly. Its focus will include a review of the construction market, of off-site manufactured models, the potential "best fit" of those to the sites in question, and the ways in which the Council might use a procurement exercise of this scale to maximise the other benefits for the borough, especially in relation to jobs and skills.

8 Financial Implications

- 8.1 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.
- 8.2 The delivery of the HRA Social Units outlined in this report will be funded from this provision.

- 8.3 Expenditure related to the Precision Manufactured Housing (PMH) temporary accommodation units will be funded from the General Fund capital programme budget. A report will be presented to Mayor & Cabinet to seek approval for the required budget once more accurate costing has been developed and prior to entering into a final grant agreement with the GLA.
- 8.4 Mayor & Cabinet approval is required to bid for funding from the GLA Innovation Fund because the potential funding award exceeds £1 million.

9 Legal Implications

- 9.1 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.
- 9.2 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.
- 9.3 In accordance with the Mayoral Scheme of Delegation, approval of any application for external funding exceeding £1 million is reserved to the Mayor. At this stage, the Council is simply submitting a bid. This report recommends that authority is delegated to the Executive Director for Resources and Regeneration to agree the terms attached to any award of funding.
- 9.4 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.
- 9.5 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.

9.6 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 at 9.3 above.

9.7 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. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations. 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.

9.8 1The 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:

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

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

10 Crime and disorder implications

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

11 Equalities implications

11.1 The provision of new social housing in the borough has a positive equalities impact. Households on the Council's Housing Register are more likely to have a protected characteristic that the wider population as access to the register is limited to those most in housing need.

12 Environmental implications

12.1 There are no environmental implications arising from this report.

Background Documents and Report Originator

Title	Date	File Location	Contact Officer
New Homes, Better Places Programme Update	1 June 2016	Available at this link	Jeff Endean
New Homes, Better Places Phase 3 Update	14 January 2015	Available at this link	Jeff Endean
New Homes, Better Places Programme Update	15 November 2015	Available at this link	Jeff Endean
New Homes, Better Places Programme Update	1 June 2016	Available at this link	Jeff Endean
New Homes, Better Places Programme Update	11 January 2017	Available at this link	Jeff Endean
New Homes, Better Places Programme Update	22 March 2017	Available at this link	Jeff Endean
New Homes, Better Places Programme Update	10 May 2017	Available at this link	Jeff Endean
New Homes, Better Places Programme Update	28 June 2017	Available at this link	Jeff Endean
New Homes, Better Places Programme Update	4 October 2017	Available at this link	Jeff Endean

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

Appendix A – Programme Update

Project	Lead Partner	New Homes			Next decision/stage	Target Planning Dates		Target Start on Site	Target Completion Dates
		Total	Council	Other Affordable		Submission	Approval		
Completed schemes									
Mercator Road	L. Homes	6	6	0	Complete				
Marischal Road	Pocket Living	26	0	26	Complete				
Slaithwaite Community Room	L. Homes	1	1	0	Complete				
Forman House	L. Homes	2	2	0	Complete				
Angus Street	L. Homes	1	1	0	Complete				
Dacre Park South - Phase 1	L. Homes	7	7	0	Complete				
PLACE/Ladywell	LBL	24	0	24	Complete				
Hamilton Lodge	LBL	21	0	21	Complete				
Hazelhurst Court	Phoenix	60	60	0	Complete				
Wood Vale	L. Homes	17	9	0	Complete				
Grebe Street	LBL	1	1	0	Complete				
SUBTOTAL		166	87	71					
Schemes on site									
Honor Oak Housing Office	L. Homes	5	5	0	On Site				Dec-17
Dacre Park South - Phase 2	L. Homes	18	18	0	On Site				Jan-18
Forster House	Phoenix	22	22	0	On Site				Jan-18
Woodbank	Phoenix	4	4	0	On Site				Mar-18
Longfield Crescent	L. Homes	27	27	0	On Site				Jul-18
Dacre Park North	L.Homes	5	5	0	On Site				Sep-18
Campshill Road	One Housing	53	34	19	On Site				Feb-19
93-95 Rushey Green (purchase)	LBL	9	9	0	On Site				Jan-18
<i>On-site subtotal</i>		<i>143</i>	<i>124</i>	<i>19</i>					
CUMULATIVE SUBTOTAL		309	211	90					

Project	Lead Partner	New Homes			Next decision/stage	Target Planning Dates		Target Start on Site	Target Completion Dates
		Total	Council	Other Affordable		Submission	Approval		
Schemes awaiting start on site									
Rawlinson House	L. Homes	1	1	0	Planning decision			Jan-18	May-18
<i>Awaiting start subtotal</i>		<i>1</i>	<i>1</i>	<i>0</i>					
CUMULATIVE SUBTOTAL		310	212	90					
Schemes awaiting planning consent									
Marnock Road	L. Homes	6	6	0	Planning decision		Oct-17	Jan-18	May-19
Stanstead Road	Birnbeck HA	4	4	0	Planning decision		Dec-17	Jan-19	Jan-19
Hawke Tower	L. Homes	1	1	0	Planning decision		Dec-17	Mar-18	Aug-18
Kenton Court	L. Homes	25	25	0	Planning decision		Jan-18	May-18	May-20
Mayfield	L. Homes	47	47	0	Planning decision		Jan-18	May-18	May-19
Somerville Estate Phase 1	L. Homes	23	23	0	Planning decision		Jan-18	May-18	Nov-19
Church Grove	RUSS	33	5	28	Planning decision		Jan-18	Mar-18	Mar-21
<i>Awaiting planning subtotal</i>		<i>139</i>	<i>111</i>	<i>28</i>					
CUMULATIVE SUBTOTAL		449	323	118					

Project	Lead Partner	New Homes			Next decision/stage	Target Planning Dates		Target Start on Site	Target Completion Dates
		Total	Council	Other Affordable		Submission	Approval		
Schemes awaiting planning submission									
Endwell Road	L. Homes	9	9	0	Planning submission	Nov-17	Feb-18	Mar-18	Sep-19
Pepys Housing Office	L. Homes	5	5	0	Planning submission	Nov-17	Feb-18	Mar-18	Jun-19
Algernon Road	L. Homes	5	5	0	M&C decision (15 Nov)	Nov-17	Feb-17	May-18	Aug-19
Forest Estate	L. Homes	17	17	0	M&C decision (6 Dec)	Dec-17	Mar-18	Jun-18	Jun-20
Edward Street	LBL	32	32	0	M&C decision (6 Dec)	Dec-17	Mar-18	May-18	May-19
Grace Path	L. Homes	6	6	0	Planning submission	Jan-18	Apr-18	May-18	Aug-19
Silverdale Hall	L. Homes	7	7	0	Planning submission	Jan-18	Apr-18	May-18	Aug-19
High Level Drive	L. Homes	18	18	0	M&C decision (10 Jan)	Jan-18	Apr-18	Jul-18	Jul-20
Home Park	L. Homes	36	36	0	M&C decision (10 Jan)	Jan-18	Apr-18	Jul-18	Jul-19
Bampton Estate	L. Homes	44	44	0	M&C decision (10 Jan)	Jan-18	Apr-18	Jul-18	Jul-20
Embleton Road	L. Homes	4	4	0	M&C decision (10 Jan)	Jan-18	Apr-18	Jul-18	Oct-19
Brasted Close	L. Citizens	11	0	11	Planning submission	Mar-18	Jun-18	Sep-18	Mar-20
<i>Awaiting submission subtotal</i>		194	183	11					
GRAND TOTAL		643	506	129					

Appendix B– Algernon Road Site Plan



Appendix C – Algernon Road Indicative Images of Development



Appendix D - Algernon Road Elevations

