

	MAYOR AND CABINET		Item no.
Report Titles	Deptford Southern Housing Sites: Tidemill Update		
Key Decision	Yes		
Ward	NEW CROSS		
Contributors	EXECUTIVE DIRECTOR FOR CUSTOMER SERVICES,		
Class	Part 1	Date	27 June 2018

1. Summary

1.1 The Deptford Southern Housing sites scheme consists of two developments being carried out as part of an ongoing programme the Council has led in Deptford since 2006. These sites are:

- **Amersham Vale** – a cleared site located next to the railway line, on the South of Edward Street; and,
- **Tidemill** - site that sits across Reginald Road and the old Tidemill School. This report focusses primarily on this site.

1.2 The previous phases of the ongoing programme have seen completion of the Wavelengths extension, Frankham Street parking boulevard, the Tidemill/Deptford Lounge development and the relocation of Deptford Green School.

1.3 This development has the opportunity to be hugely positive in terms of both its delivery of new genuinely affordable housing in the borough and wider community benefits, including new parks and open spaces designed in collaboration with local residents and groups.

1.4 The development on **Tidemill** provides an opportunity to deliver a significant number of new homes in Deptford and will provide 117 genuinely affordable homes as part of a development of 209 units in total. Including shared ownership units, 74% of the Tidemill development will be affordable.

1.5 This volume of social rented properties is far in advance of what was initially envisaged for the site and provides a welcome contribution towards the on-going challenge of tackling London's housing crisis.

1.6 The **Amersham Vale** development also provides a meaningful contribution to delivering new affordable housing in the borough, with 32.5% (by habitable room) of the site being affordable.

- 1.7 Overall, Deptford Southern Housing will provide 60% affordable housing across both sites at a time of severe housing need.
- 1.8 However, following planning committee's decision to grant permission in September 2017, the project has faced delays which has put the programme behind schedule.
- 1.9 As a result, the Development Agreement with Peabody and Sherrygreen Homes is now close to expiring. This would put the delivery of these new homes in risk.
- 1.10 This report seeks the authority of the Mayor and Cabinet to approve an extension of the long-stop date within the Development Agreement to 30th June 2019. In doing so, the Council would be actively enabling the creation of 329 new homes to come forward.
- 1.11 This development is now on the verge of commencement with the Mayor of London writing to the Council earlier this month to confirm, in effect, that the decision notices for the planning application on Tidemill could be issued.

2 Recommendations

Mayor and Cabinet is recommended to:

- 2.1 note the update on the Deptford Southern Housing Sites project, as detailed in section 5 of this report.
- 2.2 agree that the Development Agreement is varied to extend the longstop date to 30th June 2019.
- 2.3 delegate authority to the Executive Director for Resources & Regeneration, in consultation with the Executive Director for Customer Services and the Head of Law, to negotiate and agree the necessary legal documentation in connection with the recommendations in this report.

3 Policy Context

- 3.1 The proposed recommendations support 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 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.

3.3 It will also help meet the Council's Housing Strategy in which the Council commits to the following key objectives:

- Helping residents at times of severe and urgent housing need
 - The benefits of the housing crisis have been far from even and inequality gaps are as wide now as they have been for generations. This has led to more homelessness (due to a lack of supply, coupled by a private rented sector spiralling out of control) and a lack of affordability. Both of which are addressed by the Deptford Southern Housing proposal;
 - The lack of lets makes finding accommodation for families increasing difficult. The Deptford Southern Housing proposal provides a significant number of family-sized units that will help to address this.
- Building the homes our residents need
 - Across London, this is a chronic undersupply of housing and whilst Lewisham have routinely achieved our targets set by the GLA, it is evident that we need to do more.
 - The Housing Strategy notes a need to work with our partners in the Housing Association sector to help meet some of this demand. Our partnership with Peabody, one of London's oldest RPs, to deliver Deptford Southern Housing is critical to achieving the objective of delivering well-designed, affordable new homes for our residents

4 Project Progress

4.1 Summary of the principles of this project and historic miles stones (up to 2016 are contained below):

- Family Mosaic, Mulalley and Sherrygreen Homes were appointed as the preferred development partner by Mayor and Cabinet in February 2014.
- Section 105 consultation has been carried out with residents of 2 – 30A Reginald Road three times during the development of the scheme, the last being in May 2013.

- In July 2015, Mayor and Cabinet agreed that Council owned land within the scheme should be appropriated for planning purposes in order to enable the powers in Section 237 of the Town and Country Planning Act (T&CPA) 1990 to be used to ensure that any restrictive covenants or other rights affecting the land can be overriding the interests of the proper planning of the area, thereby allowing the redevelopment of the land to proceed.
 - In September 2015 the Development Agreement was entered into with Family Mosaic Home Ownership Limited and Sherrygreen Limited conditional upon:
 - Satisfactory planning permission being issued for both sites;
 - The Council having appropriated the sites for planning purposes and the decision being free from challenge;
 - The necessary disposal consent having been obtained by the Council.
 - The longstop date for these conditions to be satisfied is currently 30 June 2018.
 - On the 1st December 2015 the Secretary of State confirmed the approval to dispose the land at less than best consideration.
- 4.2 On the 29th September 2016 the Strategic Planning committee considered applications for both sites in the project separately. The application for 120 new homes of which 32.5% were to be affordable on the Amersham Vale site was approved. The application for the Tidemill site was deferred to allow the applicant to further consider further aspects of the proposal; the impacts of the daylight/sunlight; to confirm the offer to residents of 2-30a Reginald Road and the rationale for demolition; to clarify the affordable housing offer on the development; and to further consider the open spaces and how they might be available for community use.
- 4.3 On the 28th June 2017 a report was agreed by Mayor and Cabinet which agreed an increase in affordable housing on Tidemill from 37% to 48.2% by altering the tenure of 21 private sale units to London Affordable Rent. This was due to the changes in to the new Housing Strategy and associated funding guidance which increased the GLA funding arrangement.
- 4.4 In addition, the new London Affordable Rent model clarified the rent setting process and created rents that were effectively social rents and are referred to as such in this report to avoid confusion with Affordable Rents which can be set at up to 80% of market value. As a result of those negotiations a new financial arrangement funded by the Council, the Councils developers and the GLA allowed for 21 homes on the development that had previously been scheduled to be for sale in order to fund the scheme instead be made available at London Affordable Rent. This was subsequently negotiated to a rate of 50% (by habitable room).
- 4.5 Following a Mayor and Cabinet decision in March 2018, Peabody now intent to provide 74% affordable housing on Tidemill to be part-funded using a contribution the use of the Council's Right to Buy receipts.

- 4.6 The scheme has seen iterative changes to the housing mix. This has resulted in a significant increase in affordable housing being proposed on Tidemill.
- 4.7 At present, all but the old School building will now be affordable with **a net increase of 104 genuinely affordable units on the site**. This is an increase of 64 units on what was originally anticipated when the Development Agreement was entered into in 2015.
- 4.8 A breakdown of this is contained below:

Tidemill Site	Total homes	Social rented	Shared ownership	Total affordable	
				No.	%
(A) Development Agreement	209	53	25	78	37
<i>Net new homes</i>	193	40	25	65	34
(B) Updated funding model	209	73	25	98	48
<i>Net new homes</i>	193	60	25	85	44
(C) Negotiated planning offer as reported in GLA Stage 2	209	74	27	101	50
<i>Net new homes</i>	193	61	27	88	45
(D) Improved affordable offer post-March 2018 M&C	209	117	41	158	74
<i>Net new homes</i>	193	104	41	145	71

5. Project update

- 5.1 Since the Development Agreement was entered into, Council Officers have been working in close partnership with the Council's development partner to secure the optimal development for this site.
- 5.2 This approach has led to the Council seeking to maximise the provision of affordable housing on site. Whilst the current scheme will secure 42% affordable across the two sites, the Peabody proposal will see this increase to 60%.
- 5.3 It is worth noting that Lewisham has witnessed a 96% increase in number of people in Temporary Accommodation between 2011 and 2017, and a 44% reduction in available lets in the same period. The Council has little option at present but to find nightly paid accommodation for these residents and whilst the additional units are only a small part of addressing this deficit, it goes some way to addressing a serious local problem.
- 5.4 As noted above, on the Tidemill site all but the Tidemill School will now be affordable with the overall percentage of Social Rented units across

Tidemill and Amersham Vale being 47% of the total scheme. This is a significant number of genuinely affordable homes in a location of high need.

- 5.5 It should also be noted that the Development Agreement also contains a commitment to re-house all existing tenants on Reginald Road on similar tenancies with protected rents as well as a commitment to help resident leaseholders remain in home ownership in the new development through shared equity.
- 5.6 Furthermore, there is a commitment to provide an increase in publicly accessible open space. This will be of benefit to the entire community and is intended to be developed in partnership with local residents and community groups to ensure it meets their long-term needs
- 5.7 Following the approval of the planning application by the Strategic Planning Committee in September 2017, the application was referred to the GLA under the Mayor of London Order 2008 for a Stage 1 review. Following its consideration, the Local Planning Authority referred the application to the GLA to issue their stage 2 report.
- 5.8 On 11th June 2018, the Mayor of London wrote to the Council with his Stage 2 report. This confirmed that the GLA would not direct refusal of the planning application for Tidemill.
- 5.9 The Stage 2 response allows the Council, as Local Planning Authority, to formally issue a decision notice upon engrossing of the s106.

6. Legal Implications

- 6.1 The legal position is set out in the body of this report.
- 6.2 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.
- 6.3 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.
- 6.4 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.

6.5 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/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

6.6 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

6.7 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. Financial Implications

7.1 There are no direct financial implications arising from the recommendations of this report. As outlined in section 4, a number of reports have previously been presented to Mayor & Cabinet containing more detailed financial and budgetary information in relation to the Deptford Southern Housing Sites regeneration project.

8. Environmental Implications

8.1 The proposed new homes to be built by the developers would exceed the requirements of the Decent Homes Standard; this means greater

energy efficiency, reduced maintenance costs and lower fuel bills for residents. This would also reduce the environmental impact of the new homes.

- 8.2 As new landlord the developers will develop minimum standards that tenants can expect from their home. A key part of that will be the affordability and sustainability of the energy usage. The homes are designed using principles of passive solar design and have been modelled by energy consultants to ensure high thermal comfort whilst keeping heat loss to a minimum. This includes making the home air tight through construction detailing and incorporating a heat recovery ventilation system to further reduce energy loss and provide homes with fresh air. The Greater London Authority requires this scheme to achieve 20% renewable energy and a Code for Sustainable Homes level 3-4, as a minimum; both pieces of legislation necessitate an energy efficient home.

9. Crime and Disorder Implications

- 9.1 The regeneration scheme meets the police's Secured by Design standards and should lead to a reduction in crime and the fear of crime.

10. Equality Implications

- 10.1 There are no equalities implications

11. Background Documents and Report Author

Date	Name of report
14 th November 2007 M&C	Giffin Street business case
25 th June 2008 M&C	Appointment of an RSL partner and land sales that arise as a consequence under the Giffin Street Regeneration Programme
15 th July 2009 M&C	The future of Deptford Town Centre Regeneration Programme and update on financial arrangements and commercial approach
11 th April 2012 M&C	Deptford Town Centre Regeneration Programme – Delivery of the Southern site housing component of the regeneration programme
1 st May 2013 M&C	Deptford Town Centre Regeneration Programme Southern Housing Sites update.
25 th March 2015 M&C	Deptford Southern Housing Sites Regeneration Project update and Decant
May 2015 Delegated Authority Report	Approval to enter into the Development Agreement
15 th July 2015 M&C	Deptford Southern Housing Sites Regeneration Programme Appropriation of land

28 th June 2017 M&C	Deptford Southern Housing Sites update and changes to affordable housing numbers and grant funding
18 th March 2018 M&C	Deptford Southern Housing Sites Increase of Affordable Housing levels and use of Right to Buy receipts

12.1 If you require any further information about this report, please contact Jeff Endean on 020 8314 6213