

Mayor and Cabinet

Building for Lewisham Programme Requirements

Date: 10 March 2021

Key decision: Yes

Class: Part 1

Ward(s) affected: Sydenham, Perry Vale, Forest Hill, Evelyn, Lee Green, Telegraph Hill

Contributors: Executive Director for Housing, Regeneration and Public Realm, Executive

Director of Corporate Resources and Director of Law, Governance and HR.

Outline and recommendations

Having considered the responses to the consultation carried out on Elderton Road under s105 of the Housing Act 1985 between 25 January 2021 and 15 February 2021, agree to continue with the proposal to build new homes on Elderton Road. Subject to planning permission being granted, approve the budget to proceed with the enabling works for the Elderton Road site.

Approve the budget to proceed with enabling works for the Endwell Road site.

Approve the appropriation of the Fairlawn Nursery Annex from the General Fund to the Housing Revenue Account subject to Department for Education consent.

Approve the making of that application for Department for Education consent.

Approve the removal of the Eddystone Tower conversion project from the Building for Lewisham programme.

Approve a redesign of the Mayfield scheme, submission of a revised planning application, tender for works and associated budget.

Timeline of engagement and decision-making

Mayor And Cabinet, 22 March 2017 – New Homes Programme Update

Mayor And Cabinet, 15 January 2019 – Building For Lewisham Programme

Mayor and Cabinet, 11 March 2020 – GLA Small Sites Grant

Mayor and Cabinet, 08 July 2020 – Building For Lewisham Update

Mayor and Cabinet, 16 September 2020 – GLA Small Sites Grant

1. Summary

- 1.1. This report sets out the responses to a Section105 (s105) consultation which has been carried out in relation to the proposed new development on the site of the garages between 27 & 29 Elderton Road SE26.
- 1.2. The s105 consultation was sent to residents who hold a secure tenancy on Elderton Road. It sought their views on the permanent loss of the garages on the land between 27-29 Elderton Road and the temporary closure of a part of the open amenity space and hardstanding adjacent to the end of Elderton Road.
- 1.3. This consultation represented a formal consultation under s105 of the Housing Act 1985 and is appended to this report (Appendix 2).
- 1.4. This Part 1 report is accompanied by a Part 2 report which seeks to approve the release of the budget for the enabling works for the Elderton Road site.
- 1.5. This Part 1 report provides an update on the progress of the Endwell Road housing project and the accompanying Part 2 report seeks to approve the release of the budget to proceed with the enabling works.
- 1.6. The funding of these enabling works have been secured through the GLA's Small Sites Small Builders grant programme.
- 1.7. This report seeks approval for the Fairlawn Nursery Annex site to be appropriated from the General Fund as Education land and moved to the Housing Revenue Account (HRA) as Housing land subject to Department for Education (DfE) consent. This will allow a housing development to be brought forward on the site. The land is surplus to education requirements. As the land was previously used by a school within the last 8 years, DfE consent is required for this appropriation to take place.
- 1.8. This report sets out the work to date on the potential conversion of the office space in Eddystone Tower and the rationale for the request to not proceed with the conversion and remove it from the Building for Lewisham programme.
- 1.9. This report requests approval of additional budget for the Mayfield development to work up revised proposals for planning submission and tender for works as set out in Part 2 of this report. This additional budget is required following feasibility work testing more efficient use of the site including the potential to deliver further social rent homes on the site.

2. Recommendations

It is recommended that Mayor and Cabinet:

- 2.1. Having considered the responses to the consultation carried out on Elderton Road under s105 of the Housing Act 1985 between 25 January 2021 and 15 February 2021, agree to continue with the proposal to build new homes on Elderton Road. Subject to planning permission being granted, approve the budget to proceed with the enabling works for the Elderton Road site.
- 2.2. Approve the budget to proceed with enabling works for the Endwell Road site.
- 2.3. Subject to the consent of the Secretary of State being obtained under Schedule 1 of the Academies Act 2010, approve the appropriation of the Fairlawn Nursery Annex (as shown in the red outline on the attached plan (Appendix 1) from Education Use (General Fund) to Housing Use (Housing Revenue Account) under Section 122 of the Local Government Act 1972.
- 2.4. Approve the making of an application to the Secretary of State for Education under Schedule 1 of the Academies Act 2010 as referred to in recommendation 2.3.
- 2.5. Approve the removal of the Eddystone Tower conversion project from the Building for Lewisham programme.
- 2.6. Approve a redesign of the Mayfield scheme, submission of a revised planning application, tender for works and an associated budget.

3. Policy Context

Housing

- 3.1. The Council's Corporate Strategy (2018-2022) outlines the Councils vision to deliver for residents over the next four years. Building on Lewisham's historic values of fairness, equality and putting our community at the heart of everything we do, the Council will create deliverable policies underpinned by a desire to promote vibrant communities, champion local diversity and promote social, economic and environmental sustainability. Delivering this strategy includes the following priority outcomes that relate to the provision of new affordable homes:
 - Tackling the Housing Crisis Providing a decent and secure home for everyone.
 - Building an Inclusive local economy Ensuring every resident can access highquality job opportunities, with decent pay and security in our thriving and inclusive local economy.
 - Building Safer Communities Ensuring every resident feels safe and secure living here as we work together towards a borough free from fear of crime.
- 3.1. Lewisham's Housing Strategy (2020-2026), includes the following themes that relate to the provision of new affordable homes:
 - 1. delivering the homes that Lewisham needs.
 - 2. preventing homelessness and meeting housing need.
 - 3. improving the quality, standard and safety of housing.
 - 4. supporting our residents to live safe, independent and active lives.
 - 5. strengthening communities and embracing diversity.

4. Background

Elderton Road, SE26 and Endwell Road, SE4

- 4.1. In January 2019, officers brought forward a proposal to Mayor and Cabinet to examine the feasibility of developing a tranche of sites for infill development that would contribute towards the Council's direct delivery of new social homes.
- 4.2. This initial tranche is now referred to in some reports as 'Package A'. It should be noted that these sites are within the overall Building for Lewisham Programme.
- 4.3. The January 2019 Mayor and Cabinet approved the inclusion of 5 sites at Mill Gardens, Elderton Road, Burnt Ash Garages, Dacres Road and Valentine Court as part of the Building for Lewisham programme.
- 4.4. The approval included a budget up to tender, subject to s105 consultation and planning permission being granted.
- 4.5. In July 2020 Mayor and Cabinet approved the removal of Mill Gardens and Burnt Ash Garages, from the Building for Lewisham Programme and noted that officers will return to Mayor and Cabinet to approve the allocation of budgets for the purpose of commencement of construction work for the remaining 3 sites.
- 4.6. A funding application was made to the GLA Small Sites Small Builders Programme in May 2020 for 4 projects on sites with viability challenges. These included Elderton Road, Dacres Road and Valentine Court.
- 4.7. The fourth project included in the bid, was at Endwell Road which was closer to delivery having already secured planning permission following a s105 consultation but also had viability issues.
- 4.8. The grant application was successful and on 16 September 2020, Mayor and Cabinet approved acceptance of the grant allocation from the GLA Small Sites Small Buildings (SSSB) Programme (Round Two) to carry out specific enabling works on the four sites.
- 4.9. The above report also noted that officers will return to Mayor and Cabinet to approve the allocation of budgets for the purpose of commencement of enabling works.
- 4.10. Consultations under s105 of the Housing Act 1985 have now been carried out on the Elderton Road and Endwell Road schemes. The results of the Elderton Road scheme s105 consultation are reported in this report and the results of the Endwell Road scheme were reported to Mayor and Cabinet on 22 March 2017.
- 4.11. Endwell Road has planning permission for 9 new social rented homes and plans for Elderton Road are for up to 5 new social rented homes. The Elderton Road scheme is still subject to planning permission.
- 4.12. Subject to the recommendation made in this report, both the schemes at Elderton Road and Endwell Road can proceed with enabling works, the funding of which was secured through the GLA SSSB grant.

Fairlawn Nursery Annex, SE23

- 4.13. The Fairlawn Nursery Annex is a small piece of land on Waldenshaw Road as outlined in red on the attached plan (Appendix 1), ten minutes walk from Fairlawn Primary School. The school previously used the annex as an early years nursery.
- 4.14. The nursery was closed by the School in August 2016 as it was no longer financially viable to keep the nursery open due to falling numbers and the high running costs of the separate building and site which meant the nursery was being heavily subsidised

- from the main school budget. The Education Team have confirmed that due to a reduced child population there is surplus space on the main school site. If the school were to want to open a nursery again in the future, this could be accommodated on the main site. The land is therefore no longer required for education use.
- 4.15. Mayor and Cabinet agreed a budget in July 2020 to bring forward proposals to develop the Fairlawn Nursery Annex site. The development will be subject to the normal financial viability hurdles as part of the Building for Lewisham Programme.
- 4.16. In order to bring a social rent development forwards the site needs to be appropriated from Education use in the General Fund to Housing use in the Housing Revenue Account. As the land was used by a school within the last 8 years this appropriation requires the consent of the Department for Education (DfE).
- 4.17. The processing of an application to the DfE can take 6 months or more, it is therefore prudent to make an application whilst detailed plans are developed for the site. This report seeks approval for the appropriation subject to DfE consent and to commence the application for consent from the DfE. The appropriation to housing purposes would occur on the date the DfE grants consent. As stated above, the land is not required for education purposes. Should the proposed development not proceed, the Council would need to consider an alternative use for the land and it would be open to the Council to appropriate the land at that stage to that alternative use, should that be necessary.

Eddystone Conversion Project, SE8

- 4.18. Lewisham Homes has been working to redevelop the for former Pepys Housing Office in Eddystone Tower for a number of years. This culminated in a planning permission being granted in April 2018 to deliver 5 new homes and community space as part conversion of the former office plus a new build element.
- 4.19. Major works are ongoing for the existing tower in an effort to improve fire safety measures including fire stopping to the common and residential parts and replacement of front entrance doors. It is expected these work will complete in Spring 2021. A second phase of works to alter the cladding to improve thermal efficiency is under review.
- 4.20. Over recent months Lewisham Homes have been exploring how to work safely and in an effective manner where both conversion and major works happen simultaneously. The principal designer for the major works project (Calford Seadon) and the Employers Agent (Martin Arnold) of the conversion scheme agree that it is possible, but would increase risks, require significant coordination between both parties and will likely lead to a longer programme for both elements and cost implications.
- 4.21. The planning permission secured on 3 April 2018 requires for it to be implemented within 3 years. The consent included a requirement to deliver a community space.
- 4.22. The residential element of the scheme meets the Building for Lewisham (BfL) financial hurdles but the significant impact of the community space makes the scheme unviable. The investment is not paid back within the 40 year Net Present Value (NPV) calculation due to there being no income from the community space. The residential units do not provide sufficient cross subsidy to make the entire scheme viable.
- 4.23. Further information on the finances related to the scheme are contained within the accompanying Part 2 report.
- 4.24. As a result of the complexity and cost of bringing forward this development work alongside the current major works as well as the finaical viability challenges, officers recommend the removal of the Eddystone Tower conversion project from the Building for Lewisham (BfL) programme.

4.25. Should this recommendation be approved, the space will be secured and remain vacant in the short term. Options will be discussed with the asset management team and communities team for getting the office space back in use.

Mayfield Hostel, SE12

- 4.26. Planning permission was granted in 2017 for the site of the current Mayfield Hostel in SE12. The permission is for 47 new homes 24 x 2 bedroom flats, 16 x 3 bedroom flats and 7 houses and a 2 storey commercial space. It is one of the three Precision Manufactured Housing (PMH) schemes being brought forwards as part of the Building for Lewisham Programme.
- 4.27. Following planning permission, the scheme achieved approval for the procurement to commence as part of the packaged PMH programme. The Mayfield scheme was tendered for with the two other PMH schemes: Home Park and Edward Street. The successful bid was from Caledonian Modular (CML) to deliver a full volumetric turnkey solution for the three schemes through three separate contracts.
- 4.28. All tender returns were over budget. Following viability assessments, value engineering exercises and review of the GLA grant arrangements, the financial viability of both the Home Park and Edward Street schemes improved. Both of these schemes are now in contract and under construction. However, the Mayfield scheme did not meet the financial hurdles for the Building for Lewisham Programme and was put on hold. Lewisham Homes felt the site potential was not being maximized by the consented planning scheme and have begun testing the feasibility of alternative and more efficient options.
- 4.29. In August 2020 Metropolitan Workshop were appointed as technical advisor for RIBA Stages 4, 5 and 6 for both Edward Street and Home Park. They are advising on technical aspects of the construction and assessing the quality of the modular units as they are constructed and assembled at CML's factory. In this appointment was the option to extend the appointment to include the re-design of Mayfield up to planning submission plus acting as technical advisor for RIBA Stages 4, 5 and 6 if required.
- 4.30. In September last year Metropolitan Workshop began a feasibility study looking at alternatives for the Mayfield site. This indicated the potential to deliver further homes through more efficient use of the site and building layouts. Lewisham Homes are now looking to progress this feasibility work with input from the community, and other stakeholders and develop proposals to prepare a new planning application.
- 4.31. The additional budget requested, as set out in the Part 2 report, will allow for the redesign to commence at pace with the intention to develop proposals and consult local residents for a summer planning submission. Following determination and decision notice the intention is to request approval for a revised full budget for works aiming for a start on site by March 2022.

5. Elderton Road Section 105 Consultation

- 5.1. Section 105 of Part IV of the Housing Act 1985 makes it a requirement for a landlord authority to consult with those of its secure tenants who are likely to be substantially affected by a matter of housing management. The Act specifically identifies a new programme of improvement or demolition to be a matter of housing management to which Section 105 applies.
- 5.2. A s105 consultation took place which contacted the Council's secure tenants on Elderton Road. The consultation was sent to 24 households. It represented a formal consultation under Section 105 of the Housing Act 1985. It ran for 21 days between 25

- January 2021 and 15 February 2021. Residents were asked to complete a questionnaire response form and returning it by email, FREEPOST or by calling the Strategic Housing Team to arrange for a member of the team to collect the form.
- 5.3. Residents were also given the option to respond via the Commonplace webpage https://eldertonroad.commonplace.is/
- 5.4. The consultation sought secure council tenants views on the permanent loss of the garages on the land between 27-29 Elderton Road and the temporary closure of a part of the open amenity space and hardstanding adjacent to the end of Elderton Road and the temporary closure of a part of the open amenity space and hardstanding adjacent to the end of Elderton Road as shown by the blue line in Appendix 2.
- 5.5. If the demolition and construction goes ahead it will likely involve the temporary closure of this space to be used for staging and storage area as a construction site compound for demolition and construction activities. Once construction activities are complete the areas will be fully reinstated and improvements made.
- 5.6. If approved, demolition of the garages is expected to commence in Spring/Summer 2021.

Resident feedback and officer responses

- 5.7. At the closing of the consultation period a total of 3 responses had been received from secure council tenants. This represents a 20% response rate.
- 5.8. Two of the responses were via telephone calls and the other through the FREEPOST address. All three responses raised concerns about the scheme. All three responses are appended as Appendix 3 (redacted to remove personal information). The responses are summarised as follows with officer responses:

Resident comment (summarised)	Officer response (summarised)
Concerns at increased levels of traffic and parking as a result of construction and more residents.	There will inevitably be increased traffic during construction, this will be minimised as much as possible. There will be a traffic management plan as part of the contract which will seek to avoid deliveries/construction traffic during the busiest times for residents.
	No additional parking will be provided in the vicinity as part of the development plans. The new development will be delivered as a car free development with adequate cycle storage provision. However, should a disabled flat be provided within the scheme, a disabled parking bay would need to be marked out on Elderton Road.
Concerns around access for emergency service vehicles.	It is a requirement to ensure that emergency vehicles can continue to access the road when required.
Concerns about noise and mess during construction.	Should the development go ahead, we will aim to keep noise levels to a

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	minimum. More details can be given once a contractor is appointed. We ensure that our contractors operate only within the permitted working hours, this would also be a condition of any planning approval.
	We will also ensure that the site is secured and managed by the contractor at all times, to jet wash/road sweep regularly should mud or debris be present.
Allocation of new homes.	The homes will be allocated to households on the Council's housing register and in line with the Council's Housing Allocations Policy.
Increased risk of Covid 19 with workers on site.	All contractors will be required to adhere to the current guidelines in relation to Covid 19 and other health and safety issues.
Loss of green space for children, pets, wildlife. Construction facilities are an eyesore.	The use of the green space will be temporary. Once the new homes are completed the green space will be reinstated and we will talk to local residents about any improvements that can be made.
Increase in crime, including flytipping, with construction equipment/material attractive to thieves.	It will be in the interest of the contractors to ensure that their equipment is secure and that their site compound does not attract flytipping which they would have to remove.
There are enough empty homes already in the borough.	There is a very short supply of housing in the borough of Lewisham. The Elderton Road garages have been identified as a site to help meet the growing demand for new Council homes in the borough. Developing the site will help to provide new social rented homes for those in housing need.

- 5.15. Officers will respond directly to residents to address their specific concerns in more detail.
- 5.16. It is recommended that having considered the above, Mayor and Cabinet approve that the scheme proceeds.

6. Financial implications

6.1. Financial Implications are contained in Part 2 of this report.

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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 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.
- 7.2. The Council has power under the Local Government Act 1972 to appropriate land which is no longer required for the purpose for which it was acquired to use for any other purpose for which it has power to acquire land. In the case of land held for education purposes, that power is subject to Schedule 1 of the Academies Act 2010 under which the consent of the Secretary of State is required to appropriate land if at any time in the last 8 years it has been used wholly or mainly for the purposes of a school or a 16 to 19 Academy. In this case, Schedule 1 is engaged as the Fairlawn Nursery Annex has been used by a school in the last 8 years and accordingly the agreement to appropriate requested in this report is subject to Secretary of State's consent being obtained. The Education Team have confirmed that there is no land at the Fairlawn Nursery Annex that would be classified at "playing field land" under Section 77 of the School Standards and Framework Act 1998 and therefore consent under Section 77 is not required.
- 7.3. 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.
- 7.4. 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.
- 7.5. 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.
- 7.6. 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 10.3 above.
- 7.7. 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.
- 7.8. 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:
- 7.9. https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-codes-practice
 - https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-technical-guidance

8. Equalities implications

- 8.1. There are no equalities implications arising directly from the recommendations set out in this report. However, the additional funding will increase the number of social rent homes in the borough to enable more households on low incomes to access secure and safe accommodation, which will have positive equalities implications.
- 8.2. It should be noted that all of the protected characteristics will be considered and assessed with the impact and implications assessed as part of the commencement of building work, which is led by our delivery agent Lewisham Homes and monitored by Council officers as delegated through this report.
- 8.3. It should be noted that the Council is committed to ensuring our developments will be inclusive and feature accessible and adaptable homes that will meet the needs of our residents throughout their life.

9. Climate change and environmental implications

- 9.1. Existing planning consents are and will be in line with the high standards expected by Lewisham Council and the GLA. Developments will meet or excede guidance including seeking to reduce energy consumption, emissions, and climate change.
- 9.2. Every effort will be made to enhance the natural environment, enhance landscape and amenity space. This will include undertaking demolition and construction works in line with environmental protection and public health guidelines and seek to limit the impact on neighbours.

10. Crime and disorder implications

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

11. Health and wellbeing implications

11.1. There are no direct health and wellbeing implications arising from this report although the provision of new social homes will have a positive impact on health and wellbeing of people on the housing register waiting for permanent accommodation.

12. Social Value implications

12.1. Lewisham Homes will address social value implications when procuring and awarding contracts for works.

13. Background papers

13.1. More information about the projects can be found on the Lewisham website: https://lewisham.gov.uk/buildingforlewisham

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