

Housing Select Committee Agenda

Monday, 26 June 2017

7.30 pm

Civic Suite

Catford

SE6 4RU

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Part 1

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Housing Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Monday, 26 June 2017.

Barry Quirk, Chief Executive
Thursday, 15 June 2017

Councillor Carl Handley (Chair)	
Councillor Peter Bernards (Vice-Chair)	
Councillor David Britton	
Councillor Bill Brown	
Councillor John Coughlin	
Councillor Sophie McGeevor	
Councillor Jamie Milne	
Councillor Olurotimi Ogunbadewa	
Councillor Pat Raven	
Councillor Jonathan Slater	
Councillor Alan Hall (ex-Officio)	
Councillor Gareth Siddorn (ex-Officio)	

MINUTES OF THE HOUSING SELECT COMMITTEE

Tuesday 18 April 2017, 7.30pm

Present: Councillors Carl Handley (Chair), Peter Bernards (Vice Chair), John Coughlin, Olurotimi Ogunbadewa, Jonathan Slater, Bill Brown, Pat Raven, Sophie McGeevor.

Apologies: Councillors David Britton and Jamie Milne.

Also present: Genevieve Macklin (Head of Strategic Housing), Jeff Endean (Housing Strategy and Programmes Manager), Osama Shoush (Strategic Housing Delivery Manager), Charlotte Dale (Overview and Scrutiny Manager), John Bardens (Scrutiny Manager).

1. Confirmation of Chair and Vice Chair

John Bardens (Scrutiny Manager) opened the meeting and asked Members to confirm the appointment of the Chair and Vice-Chair.

Resolved: that Councillor Handley be confirmed as the Chair and Councillor Bernards be confirmed as the Vice-Chair of the Select Committee.

2. Minutes of the meeting held on 7 March 2017

2.1 The Chair referred back to a letter from the Mayor of London, presented at the last meeting of the committee, in response to the Housing and Sustainable Development Committees' questions about housing zones in Lewisham. In particular, the Chair referred to the Mayor's comment that he would like levels of affordable housing in housing zones to be closer to 35%.

2.2 The Scrutiny Manager informed the committee, having spoken to the relevant officers, that the levels of affordable housing in the New Bermondsey housing zones will not be known until the scheme has been considered by the Strategic Planning Committee. The Chair said that he intended to send the letter from the Mayor to the Strategic Planning Committee to inform its consideration of the New Bermondsey housing zone.

Resolved: the Committee agreed the minutes of the last meeting as a true record.

3. Declarations of interest

3.3 The following non-prejudicial interests were declared:

- Councillor Slater is a member of the board of Phoenix Community Housing.
- Councillor Raven is a campaigner for Lewisham Autistic Spectrum Housing.

4. Responses from Mayor and Cabinet

- 4.1 The Committee noted the response to its referral on the handypersons service.
- 4.2 The Chair informed the committee that the Mayor and Cabinet response to the in-depth review on mental health and housing is expected to go to Mayor and Cabinet in June.

5. New Homes Programme update

Jeff Endean (Housing Strategy and Programmes Manager) and colleagues introduced the report. The following key points were noted:

- 5.1 Lewisham council's council home building programme is part of a wider programme of delivering affordable housing in the borough – which includes providing more temporary accommodation and more new homes through housing regeneration.
- 5.2 More than 3,500 new affordable homes have been built in the last 10 years. The reduction of social rents by 1% for four years has, however, removed £25m of investment capacity.
- 5.3 The financial model for the delivery of 500 new council homes is based on each new home costing £190,000 to build. 30% of this cost can be claimed as a subsidy from right-to-buy receipts.
- 5.4 Around 120 council homes are sold every year in Lewisham under right to buy.
- 5.5 The tenure approach agreed by Mayor and Cabinet and is for 80% council homes and 20% private sale – with sale homes cross-subsidising the programme.
- 5.6 Out of the 500 new council homes planned, around 350 will be eligible for right to buy. There will be no right to buy with older people's housing or with the Church Grove self-build project.
- 5.7 There are a number of different ways the Council is delivering more housing. This includes developing pockets of underused land (infill), providing further older people's housing, widescale estate regeneration, intervention in the private rented sector with Living Rent, and further off-site construction developments like PLACE/Ladywell.
- 5.8 The proposed location for the second off-site construction development in Lewisham is in Deptford, on the site of a rundown ball court. PLACE/Deptford would provide around 35 new two and three-bed homes using the same off-site construction methods used at PLACE/Ladywell. It will be flexible accommodation, not just temporary accommodation.
- 5.9 Like PLACE/Ladywell, there will also be the option for community/commercial units on the ground floor. Officers are continuing to consult with the local community to find out what community/commercial space would be of most use.

Ideas so far have included a nursery, art studios, and workspace for local businesses.

Jeff Endean (Housing Strategy and Programmes Manager) and colleagues answered questions from the Committee. The following key points were noted:

5.10 New homes at PLACE/Deptford will come with white goods, kitchen and bathroom already fitted. Grants will be available for furniture. The home will be of high quality – each will have a 60-year guarantee. The expected completion date for PLACE/Deptford is summer 2018.

5.11 PLACE/Deptford is expected to pay for itself within seven years. PLACE/Ladywell will pay for itself in 12 years (this includes the cost of one move at £800k).

5.12 PLACE/Ladywell features 6-month tenancies, which can be rolled over. It takes 2 years on average for someone in temporary accommodation to find a placement. PLACE/Ladywell residents are already making bids and moving out. There can be issues with repeatedly rolling over short-term tenancies where the nature of housing is permanent.

5.13 Lewisham has not yet considered cooperative housing management models – the current focus has been on getting as many new homes built as possible.

5.14 The large majority of households on the housing waiting list are families as opposed to individuals.

The Committee made a number of comments. The following were noted:

5.15 The Committee asked if officers could explain in all future reports the different types of affordable housing being referred to and the exact definition. The term affordable housing is not always clear.

5.16 The Committee asked if officers could share the formula for Living Rent.

Resolved: the Committee noted the update.

6. Select Committee work programme

John Bardens (Scrutiny Manager) introduced the report. The following was noted:

- An item on mental health support in private housing was suggested for later in the year, once the committee has had the Mayor and Cabinet response to its review of mental health support in social housing.
- A review of different housing-management models, such as cooperatives, self-builds, community land trusts, temporary housing – including the relationship with developers – was also discussed. The committee agreed for a scoping paper to be produced.

Resolved: the Committee noted the work programme and agreed for a scoping paper on different housing-management models to be produced.

7. Referrals

There were no referrals at this meeting

The meeting ended at 21.15pm

Chair:

Date:

Housing Select Committee			
Title	Declarations of Interest	Item No.	2
Contributor	Chief Executive		
Class	Part 1 (open)	26 June 2017	

Declaration of interests

Members are asked to declare any personal interest they have in any item on the agenda.

1 Personal interests

There are three types of personal interest referred to in the Council's Member Code of Conduct:-

- (1) Disclosable pecuniary interests
- (2) Other registerable interests
- (3) Non-registerable interests

2 Disclosable pecuniary interests are defined by regulation as:-

- (a) Employment, trade, profession or vocation of a relevant person* for profit or gain
- (b) Sponsorship –payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).
- (c) Undischarged contracts between a relevant person* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.
- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member's knowledge, the Council is landlord and the tenant is a firm in which the relevant person* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:-
 - (a) that body to the member's knowledge has a place of business or land in the borough; and
 - (b) either
 - (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

*A relevant person is the member, their spouse or civil partner, or a person with whom they live as spouse or civil partner.

(3) Other registerable interests

The Lewisham Member Code of Conduct requires members also to register the following interests:-

- (a) Membership or position of control or management in a body to which you were appointed or nominated by the Council
- (b) Any body exercising functions of a public nature or directed to charitable purposes, or whose principal purposes include the influence of public opinion or policy, including any political party
- (c) Any person from whom you have received a gift or hospitality with an estimated value of at least £25

(4) Non registerable interests

Occasions may arise when a matter under consideration would or would be likely to affect the wellbeing of a member, their family, friend or close associate more than it would affect the wellbeing of those in the local area generally, but which is not required to be registered in the Register of Members' Interests (for example a matter concerning the closure of a school at which a Member's child attends).

(5) Declaration and impact of interest on members' participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in consideration of the matter and vote on it unless paragraph (c) below applies.
- (c) Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- (d) If a non-registerable interest arises which affects the wellbeing of a member, their family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.

- (e) Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

(6) Sensitive information

There are special provisions relating to sensitive interests. These are interests the disclosure of which would be likely to expose the member to risk of violence or intimidation where the Monitoring Officer has agreed that such interest need not be registered. Members with such an interest are referred to the Code and advised to seek advice from the Monitoring Officer in advance.

(7) Exempt categories

There are exemptions to these provisions allowing members to participate in decisions notwithstanding interests that would otherwise prevent them doing so. These include:-

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

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Housing Select Committee		
Title	Models of delivering new housing – scoping note	
Contributor	Scrutiny Manager	Item 5
Class	Part 1 (open)	26 June 2017

1. Purpose

At its meeting on 18 April 2017, the Committee agreed to hold an in-depth review into different models of delivering new housing in Lewisham. This paper provides some background information about delivery models for new housing, nationally as well as in Lewisham, and suggests some key lines of enquiry for the review.

2. Recommendations

The Committee is asked to:

- Consider and note the content of the report.
- Consider and agree the proposed key lines of enquiry and timetable for the review.

3. Policy context

- 3.1 It is widely accepted that there is a housing affordability crisis in London. The London Housing Commission said that providing enough secure, affordable and decent homes is one of the biggest challenges facing the capital – with London needing at least 50,000 of them each year to keep pace with its growing population.¹
- 3.2 The Commission found that the average house in London costs half a million pounds, more than 12 times the median income – the highest ratio since records began.² And according to Shelter, across England, eight out of ten working, private renting families cannot afford a newly-built home in their area.³
- 3.3 Lewisham itself faces severe housing pressures across all tenures, with a chronic lack of supply of new homes driving higher prices and decreasing levels of affordability. According to the Land Registry, the average house price in Lewisham is now more than £414,000 – 80% increase on 2010 (£226,000).⁴
- 3.4 Much attention is paid, nationally and regionally, to the numbers of new homes being delivered. The national government's target is to build one million new homes by 2020, while the London target is 42,000 each year.⁵ Lewisham also has a target of 18,165 new homes between 2009/10 and 2025/26.⁶
- 3.5 As well as setting targets for volume, Lewisham is employing a range of models of delivering new housing, providing a variety of housing options, from community-led approaches and temporary housing using modern methods of construction to joint ventures with private partners.
- 3.6 But which models, or combination of, are best suited to the needs of Lewisham residents? This review is intended to take a closer look at a number of different models and gather evidence to help the Housing Select Committee inform the debate.

¹ Bliss, N (2009), *Bringing Democracy Home*, Commission on Co-operative and Mutual Housing, p3

² *ibid*, p5

³ Shelter, *New Civic Housebuilding*, March 2017, p2

⁴ landregistry.data.gov.uk/app/ukhpi/explore

⁵ *The London Plan*, 2016, p97

⁶ *Lewisham Core Strategy*, 2011, p36

4. Community-led housing models

- 4.1 Community-led housing is designed and managed by local people and built to meet the needs of the community – not for private profit. It's intended to be a way for local communities to provide their own decent and affordable homes.⁷ Housing can be rented to local people at affordable rates, kept low over the long-term, or sold to create income for the community. It's often designed to help certain groups – for example, young people, older people, or those in need of affordable family homes.⁸
- 4.2 Community-led housing projects come in many forms, including Community Land Trusts, Co-operatives, Cohousing, and self-help housing, but two schemes are rarely the same. It's meant to be about enabling local people to develop housing in the way that is right for them.
- 4.3 Overall, community-led housing currently represents less than 1% of the UK's housing stock.⁹ This compares to 5 to 15% across Europe.¹⁰ The sector is growing however, as the need for local, affordable housing persists, particularly in large urban areas. The Smith Institute found that the sector is currently developing around 370 homes a year.¹¹
- 4.4 The box to the right sets out some of the benefits the 2009 Commission on Co-operative and Mutual Housing found that community-led housing can provide, where properly fostered and nurtured.¹²
- 4.5 Research has also found that community-led housing provides added social value. There is evidence that controlling assets by tenants and low-income groups has positive effects on personal and community wellbeing, as well as self-esteem, health, employment, and life chances.¹³
- 4.6 The community-led sector is currently dominated by co-operatives in terms of the existing housing portfolio – there are around 800 co-operatives in the UK, managing around 170,000 homes – but
- deliver high resident and member satisfaction with services alongside vibrant community identity;
 - stimulate individual and community resilience through active and democratic citizenship;
 - provide a place-making cornerstone, making places work better for people who live in them;
 - contribute to addressing social disadvantage and worklessness;
 - can enable collective influence over what happens beyond the immediate boundary of an individual property, whilst at the same time supporting the individual household interest in housing;
 - be a tenure of status, meeting the needs and aspirations of people who want their individuality guaranteed through community based solutions.

Source: Co-operative and Mutual housing commission

⁷ locality.org.uk

⁸ *ibid*

⁹ Locality, *Understanding the potential of small-scale community-led housing*, July 2015, p20

¹⁰ Kevin Gulliver and Chris Handy (2014) *More than Markets. Mutual and co-operative housing in the UK*. Institute for Human City, p21

¹¹ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p15

¹² Bliss, N (2009), *Bringing Democracy Home*, Commission on Co-operative and Mutual Housing, p16

¹³ Kevin Gulliver and Chris Handy (2014) *More than Markets. Mutual and co-operative housing in the UK*. Institute for Human City, p23

information from the sector suggests that community land trusts are likely to achieve the majority of new development.¹⁴

4.7 According to the Economic & Social Research Council, community-based housing groups can make significant contributions to affordable housing, regeneration, and local wellbeing, but they cannot be expected to replace traditional social housing or resolve fundamental societal issues on their own, without local and central government support.¹⁵

4.8 In December 2016, Big Society Capital (an independent financial institution set up to help grow social investment in the UK) launched a £15m investment facility for social investors to fund large-scale community-led housing projects. The facility will support the growth of community-led housing by investing alongside other social investors into projects across the UK.¹⁶

4.9 Under the National Housing Federation's 2015 voluntary Right-to-Buy agreement with the government, most community-led developments should be exempt from the Right to Buy.¹⁷

Models of community-led housing

MODEL	DESCRIPTION OF THE MODEL
Self-help Housing	Self-Help Housing involves groups of local people bringing empty properties back into residential use. Use of the properties varies from long term tenancies to short life housing to meet immediate needs such as move on accommodation and supported housing.
Cohousing	Cohousing is a form of intentional, self-managed community, made up of single private dwellings and additional shared communal facilities such as a common house with a community kitchen and dining room. Cohousing communities can be mixed tenure.
Cooperative and tenant controlled Housing	A Housing Co-op is a housing organisation where members (tenants) democratically control and manage their homes. Housing Cooperatives are autonomous of external organisations. Housing cooperatives are encouraged to cooperate with other cooperatives and a key feature is the education and training of members.
Community Land Trust (CLTs)	CLTs are independent local organisations established to tackle dysfunctional housing market issues and create permanently affordable intermediate housing for purchase and for rent. CLTs sometimes own other facilities on behalf of the community.
Development Trusts, Settlements & Social Action Centres	They are community anchor organisations involved in a broad spectrum of community projects, charitable assistance, enterprise and community asset development that span social, economic and environmental concerns in a local area.

Source: Locality (2015)

¹⁴ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p15-7

¹⁵ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p21

¹⁶ Big Society Capital news release, *New £15m investment boost for community-led housing projects*, 13 Dec 2016

¹⁷ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p42

5. Community Land Trusts

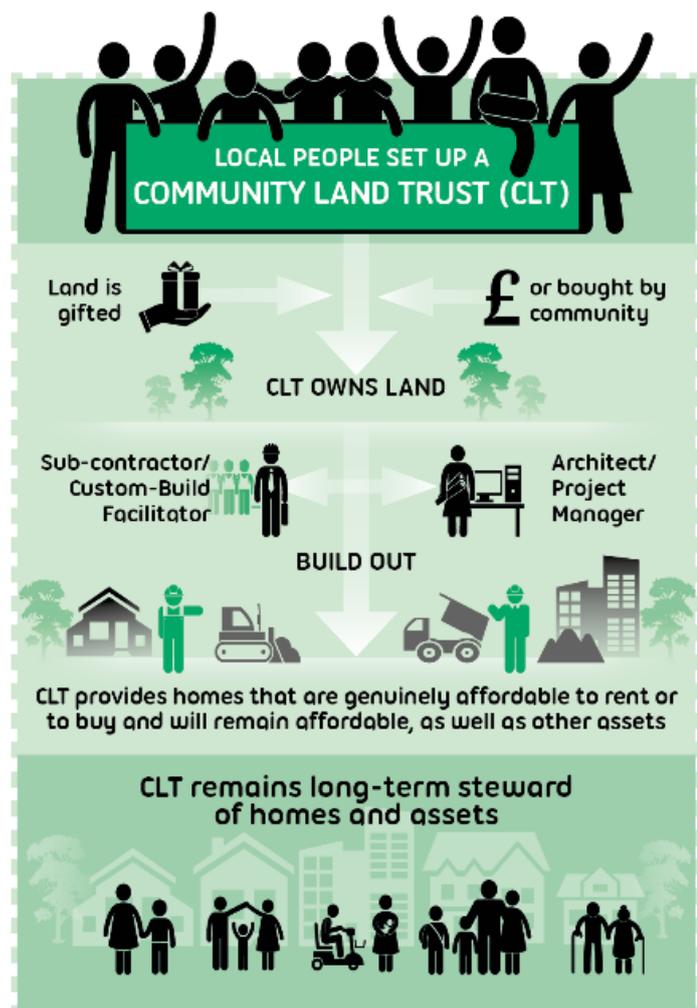
5.1 Community Land Trusts (CLT) are a form of community-led housing where local organisations set up and run by ordinary people develop and manage homes. The main purpose of the CLT is to make sure that the homes are genuinely affordable, based on what people actually earn in their area, and not just for now but for every future occupier.¹⁸

5.2 There are currently more than 225 community land trusts in England and Wales, half of which were set up in the last two years. According to the National CLT Network's estimates, a further 700 CLT homes are due to be completed by 2018, and more than 1,300 by 2020.¹⁹

5.3 CLTs are defined in law and there are certain things that a CLT do:²⁰

- A CLT must be set up to benefit a defined community
- A CLT must be not-for-private-profit. This means that they can, and should, make a surplus as a community business, but that surplus must be used to benefit the community
- Local people living and working in the community must have the opportunity to join the CLT as members
- Those members control the CLT (usually through a board being elected from the membership).

5.4 Many CLTs are not registered as a Registered Provider with the Homes and Communities Agency and so should not be affected by the Right to Buy.²¹



Source: National Community Land Trust Network

¹⁸ www.communitylandtrusts.org.uk

¹⁹ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p16

²⁰ *ibid*

²¹ www.communitylandtrusts.org.uk

6. Community land trusts in Lewisham

6.1 Lewisham's Housing Strategy 2015-2020 includes a commitment to work with local communities and partners to maximise the delivery of well-designed and affordable new homes, and an objective to support resident-led development.

6.2 Lewisham is currently working with community land trusts on two separate developments in the borough, as an alternative way to provide homes that will be affordable in perpetuity.

6.3 At Church Grove, Ladywell, the council has been working with The Rural Urban Synthesis Society (RUSS) on a development that will provide 33 affordable homes – 14 for shared equity, 12 for shared ownership, and 2 shared houses for affordable rent and 5 social homes. The model RUSS are using on the site is to retain at least 20% ownership across all of the tenures so that they can make sure that any resale is affordable.

6.4 RUSS have recently completed an extensive co-design process with the Church Grove residents group and are currently working towards submitting a planning application. It's anticipated that the self-build process can start in early 2018.

6.5 A further community land trust site has been identified in Brasted Close, Sydenham. Officers have been working with the London Community Land Trust, Lewisham Citizens and the local community to develop plans for 14 new homes. These homes will be for sale with the value linked to local median income in perpetuity. Like with the Church Grove site, the contract signed by new residents makes sure that future sales are at a price according to local earnings.

Building the homes our residents need – our aims:

To work with our communities and partners in order to maximise our ability to deliver well designed and affordable new homes for Lewisham.

To support the development of new homes that meet high standards of design, sustainability, accessibility and energy efficiency to meet the long-term needs of our residents.

[...]

Source: Lewisham Housing Strategy 2015-2020

7. Co-operative housing

7.1 Co-operative housing is housing that is “developed by, with and usually for, a democratic community membership organisation; and is controlled (and in some cases owned) by a local democratic community membership organisation”.²²

7.2 Co-operatives are essentially housing associations governed by the tenants/members which provide grass-roots control over housing. They provide rented housing without landlords, where the tenants are collectively their own landlord.

7.3 Co-operatives come in all shapes and sizes and can have diverse structures and constitutions. Two of the most common models in the UK are Tenant management organisations and Housing Owned by the Co-operative.²³

²² Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p17

²³ *ibid*

- **Tenant management organisations (TMOs)**. Certain housing services are democratically managed by tenants through a management agreement with the social landlord. TMOs do not own the properties in which their members live.
- **Housing Owned by the Co-operative**. Here the housing is owned and democratically governed by the membership. Members have collective control and have the same responsibilities and privileges as any other homeowner.

7.4 Within the community-led sector, co-operative housing is the largest in terms of existing housing under management. There are an estimated 836 co-operatives operating within the UK, managing around 169,000 homes.²⁴

8. Co-operative housing in Lewisham

8.1 There are a number of co-operative housing schemes established in Lewisham, including:

- **Deptford Housing Co-operative** – A fully mutual ownership co-operative with 138 properties.²⁵
- **Sanford Housing Co-operative** – 14 purpose-built shared houses and 6 studio flats, providing 123 single rooms.²⁶
- **May Day Permanent Housing Co-operative** – 17 homes, from one-bed flats to four-bed flats. Operates a 50% nominations agreement with the Lewisham Council.²⁷
- **Brockley Tenants' Co-operative** – owns 90 flats and houses and manages a further 72 which belong to Hexagon Housing Association.²⁸

“Local authorities would benefit from looking at Europe. There are hundreds of co-housing groups in the Netherlands and the government actively subsidises it as a real option for people to choose.”

Dr Melissa Fernández Arrigoitia,
Research Fellow, LSE (2015)

9. Cohousing

9.1 Cohousing is separate, but shares some features of co-operative housing. Cohousing communities are often defined as “intentional communities” – they are created and run by their residents. Each household has a self-contained, personal and private home but residents come together to manage their community, share activities, eat together.²⁹

²⁴ Heywood, A (2016)

²⁵ <http://www.cds.coop/co-op-directory/az-listing/deptford-housing-co-operative-limited>

²⁶ <http://www.cds.coop/co-op-directory/az-listing/sanford-housing-co-operative-limited>

²⁷ <http://www.cds.coop/co-op-directory/az-listing/may-day-permanent-housing-co-operative-limited>

²⁸ <http://www.brockley-tenants-co-op.co.uk/page/1/about-the-co-op.html>

²⁹ Heywood, A (2016) *local housing, community living: prospects for scaling up and scaling out community-led housing*, The Smith Institute, p17-8

9.2 Cohousing started to develop in the UK at the end of the 1990s. According to the UK Cohousing Network, there are now 19 completed cohousing projects in England and one in Scotland. Looking ahead, there are an estimated 231 new-build and 17 renovated homes planned for 2018-20.³⁰



10. Cohousing in Lewisham

10.1 One co-housing scheme currently in development in Lewisham is at Featherstone Lodge, Sydenham Hill. Featherstone Cohousing Ltd are developing a cohousing scheme for over-50s, converting and extending a large Victorian house. They aim to have a final decision on the site purchase in 2017, with development expected to take at least another year before residents can move in.

11. Joint venture models

11.1 Establishing a joint venture with a partner organisation is one of the options that an increasing number of local authorities are looking to in order to deliver affordable housing in difficult times. Joint ventures can provide access to new land and development opportunities and allow councils to keep control of land and assets while sharing risk.

11.2 There are a wide range of joint venture models in operation across the sector, from one-off contractual agreements to special-purpose vehicles. The structure of any particular joint venture ultimately depends on the objectives of the partners involved.

11.3 A common model is where the housing provider owns land or assets and seeks a partner to invest equity funding in the venture and to manage parts of the process, for example, constructing and selling market sale homes. Another common scenario is where a housing provider enters a joint venture to access more land opportunities –

³⁰ *ibid*

some partners may have better land-buying capability or an existing land bank, for example.

- 11.4 A current example is provided by Haringey Council's proposal to form a 50/50 partnership with a private developer to regenerate and develop council-owned land through a housing development vehicle (HDV).³¹
- 11.5 Haringey is contributing land and other assets as its equity stake and the developer will match this with their own funds. Both parties will have 50% control and individual business plans will be signed-off by the council before each piece of land is passed over to the HDV.
- 11.6 Haringey intends that social rent homes transferred like this should no longer be subject to the Right to Buy.³²
- 11.7 Hammersmith and Fulham Council have also recently signed a 50/50 joint venture deal with a property developer in order to build 133 new affordable homes. The majority will be at council-level rents and local people will be given first refusal on new homes.³³

Case study: Packington Estate, Islington

To enable this estate regeneration project, Islington Council agreed to transfer the land and existing buildings of a dilapidated estate to Hyde Housing Association, who entered a 50/50 joint venture with private construction firm Rydon. Most of the homes are for social rent, at a fraction of the rent that similar homes would cost to rent privately, and are indistinguishable from the homes for private sale.

Source: Shelter (2017)

12. Joint ventures in Lewisham

- 12.1 Lewisham Council itself has recently been seeking a joint venture partner for the Besson Street "build to rent" scheme. The council has been looking for an experienced organisation, which would bring expertise, housing management and development funding, as a partner for a 50/50 deal to develop, market and manage the scheme.
- 12.2 The scheme will create around 230 units of private rented accommodation. 65% of homes will be let at an initial market rent, with increases capped in line with inflation. 35% will be affordable homes let at a discounted rent linked to local incomes – a "living rent". The intention of the scheme is to provide secure and quality housing for local residents in employment who are not eligible for social housing, but who are also priced out of home ownership. If successful, the joint venture model could be expanded across the borough.³⁴

³¹ Haringey Council website, [Haringey Development Vehicle](#) [accessed June 2017]

³² Shelter Blog, [Can Haringey's housing development vehicle provide a case study in joint ventures?](#), February 2017

³³ Hammersmith and Fulham Council, [More than 130 genuinely affordable homes planned for Fulham](#), November 2016, LocalGov, [Council signs joint venture to deliver 'genuinely' affordable homes](#), February 2017

³⁴ Inside Housing, [Lewisham Council seeks partner for JV scheme](#), October 2016

13. Commentary on joint venture models

13.1 Joint venture approaches have received significant attention from industry experts and commentators in recent years, with many in favour of broadly similar models.

13.2 Shelter, for example, in their report, *New Civic Housebuilding: A better way to build the homes we need* advocated an “equity partnership” approach. This approach would see landowners invest their land as equity into partnerships to deliver long-term revenues and high-quality, locally affordable housing schemes – rather than being sold for the highest price.³⁵

13.3 Partnerships would typically include the major landowner, a source of “patient finance” and a coordinating body, with each acquiring equity in a single corporate body. The report said that these new partnerships relied on land entering the scheme at a predictable and lower value, and recommended that the public sector lead by example by using its land to support high quality development and affordable housing.³⁶ Given the lower risks provided by securing land at lower prices, the report also recommended that longer-term, lower cost sources of “patient” finance (like pension funds) could also be attracted to such partnerships.³⁷

13.4 The final report of the London Housing Commission, *Building a New Deal for London* (March 2016) also commented on the possibility of using joint ventures to deliver more homes across all tenures in London.³⁸

13.5 The report observed that, as major landowners, landlords and planners, local authorities are well placed to deliver significant numbers of new homes, and recommended (like Shelter) that borough-owned land should be brought forward through joint-venture partnerships, with housing associations or private developers, to develop affordable and market housing.³⁹ The public landowner would keep either an equity stake or some portion of the rental income from the development.⁴⁰

13.6 The final report of the Local Government Association Housing Commission, *Building our homes, communities and future* (December 2016) also supported the option of joint ventures. The report said that there is no “one size fits all” approach, as demonstrated by the range of examples sent in as evidence by councils, but recommended that local and national government work together to develop routes for



³⁵ Shelter, *New Civic Housebuilding*, March 2017, p87

³⁶ *ibid*, p67

³⁷ *ibid*, p69

³⁸ IPPR London Housing Commission, *Final report: Building a new deal for London*, March 2016

³⁹ *ibid*, p77

⁴⁰ *ibid*, p23

councils to directly deliver new homes of all tenures through innovative delivery vehicles, including joint delivery vehicles.⁴¹

- 13.7 The Centre for London, in their recent report, *Strength in Numbers: Funding and Building More Affordable Housing in London* (March 2017) as well as discussing joint ventures between boroughs and private developers, also highlighted the potential for cross-borough collaboration between local authorities. The report noted that the difference in land value between in inner and outer London means that some boroughs lack land which they can afford to develop, while others have land available but lack public funding.⁴²
- 13.8 The report recommended that the government should give local authorities explicit permission to spend commuted sums on affordable housing outside of borough boundaries, with boroughs co-commissioning a single developer.⁴³ The report argued that this approach could deliver up to five times more affordable homes, and noted that most local authority housing officers they spoke to expressed enthusiasm for greater collaboration between boroughs.⁴⁴

14. Meeting the criteria for a review

A review into housing delivery models meets the criteria for a scrutiny review because:

- The issue affects a number of people living, working and studying in Lewisham
- The issue is strategic and significant
- This issue is of concern to partners, stakeholders and the community
- Scrutiny is likely to add value – Lewisham Council are currently working on a number of different housing delivery models across the borough so this would be a good time for the committee to review what's happened so far and consider the next steps.

15. Key lines of enquiry

- 15.1 **Consider the different models for delivering new housing in operation in Lewisham.** The key characteristics of each, the number of new homes being provided, within what timeframe, at what cost, and with which partners? In particular, how many affordable homes are they to provide, and which types. What are the anticipated next steps for each model?
- 15.2 **Consider the advantages and disadvantages of each model for Lewisham,** in the short, medium and long-term, in terms of speed, cost, scale, quality, affordability, and the needs of Lewisham residents. And gather evidence about other models that could be of interest to Lewisham.
- 15.3 **Consider the scope for further community-led models,** looking at, among other things, scalability, costs and local demand. **Also consider scope for different models of joint venture,** looking at, among other things, land and assets available and possible partners to council could work with – public and private.

⁴¹ LGA Housing Commission, *Building our homes, communities and future*, December 2016, p22

⁴² Centre for London, *Strength in Numbers: Funding and Building More Affordable Housing in London*, March 2017, pp18-21

⁴³ *ibid*, p36

⁴⁴ *ibid*, p41

- 15.4 **Consider how the council might work with partners in the future** to ensure that good levels of affordable housing are achieved, taking into account, among other things, speed, costs, and tenure mix.
- 15.5 **Consider the necessary involvement from the council for different models**, in the short, medium and long term. What help and support can and should the council provide in terms of, among other things, guidance, coordination and management, and funding and investment? Does the council have the capacity and necessary expertise?

16. Timetable and potential witnesses

First evidence session – 5 July 2017

Council officers, RUSS, Lewisham Citizens, Deptford co-op, Brockley co-op, London Community Land Trust, National Community Land Trust Network.

Second evidence session – 6 September 2017

Council officers, other local authorities with experience of joint ventures (Newham, Croydon, Barking and Dagenham, Haringey), Shelter, LGA.

Report – 9 November 2017

Committee to consider final report presenting the evidence and agree recommendations for submission to Mayor and Cabinet.

17. Further implications

At this stage there are no specific financial, legal, environmental or equalities implications to consider. However, each will be addressed as part of the review as necessary.

For further information please contact John Bardens, Scrutiny Manager, on 02083149976 or email john.bardens@lewisham.gov.uk,

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Housing Select Committee			
Title	Select Committee work programme		
Contributor	Scrutiny Manager	Item	6
Class	Part 1 (open)	26 June 2017	

1. Purpose

To advise Members of the proposed work programme for the municipal year 2017-18, and to decide on the agenda items for the next meeting.

2. Summary

- 2.1 At the beginning of the municipal year, each select committee drew up a draft work programme for submission to the Business Panel for consideration.
- 2.2 The Business Panel considered the proposed work programmes of each of the select committees on 22 May 2017 and agreed a co-ordinated overview and scrutiny work programme. However, the work programme can be reviewed at each Select Committee meeting so that Members are able to include urgent, high priority items and remove items that are no longer a priority.

3. Recommendations

3.1 The Committee is asked to:

- note the work plan attached at **Appendix B** and discuss any issues arising from the programme;
- specify the information and analysis required in the report for each item on the agenda for the next meeting, based on desired outcomes, so that officers are clear about what they need to provide;
- review all forthcoming key decisions, attached at **Appendix C**, and consider any items for further scrutiny;

4. The work programme

4.1 The work programme for 2017/18 was agreed at the Committee's meeting on 18 April 2017.

4.2 The Committee is asked to consider if any urgent issues have arisen that require scrutiny and if any existing items are no longer a priority and can be removed from the work programme. Before adding additional items, each item should be considered against agreed criteria. The flow chart attached at **Appendix A** may help Members decide if proposed additional items should be added to the work programme. The Committee's work programme needs to be achievable in terms of the amount of meeting time available. If the Committee agrees to add additional item(s) because they are urgent and high priority, Members will need to consider

which medium/low priority item(s) should be removed in order to create sufficient capacity for the new item(s).

5. The next meeting

5.1 The following reports are scheduled for the meeting on 5 July 2017:

Agenda item	Review type	Link to Corporate Priority	Priority
Models for delivering new housing – evidence session	In-depth review	Decent homes for all	High
Lewisham Homes' Articles of Association	Standard item	Decent homes for all	High
Key Housing Issues	Standard item	Decent homes for all	Medium

5.2 The Committee is asked to specify the information and analysis it would like to see in the reports for these items, based on the outcomes the Committee would like to achieve, so that officers are clear about what they need to provide for the next meeting.

6. Financial Implications

There are no financial implications arising from this report.

7. Legal Implications

In accordance with the Council's Constitution, all scrutiny select committees must devise and submit a work programme to the Business Panel at the start of each municipal year.

8. Equalities Implications

8.1 The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. 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.

8.2 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.

- 8.3 There may be equalities implications arising from items on the work programme and all activities undertaken by the Select Committee will need to give due consideration to this.

9. Date of next meeting

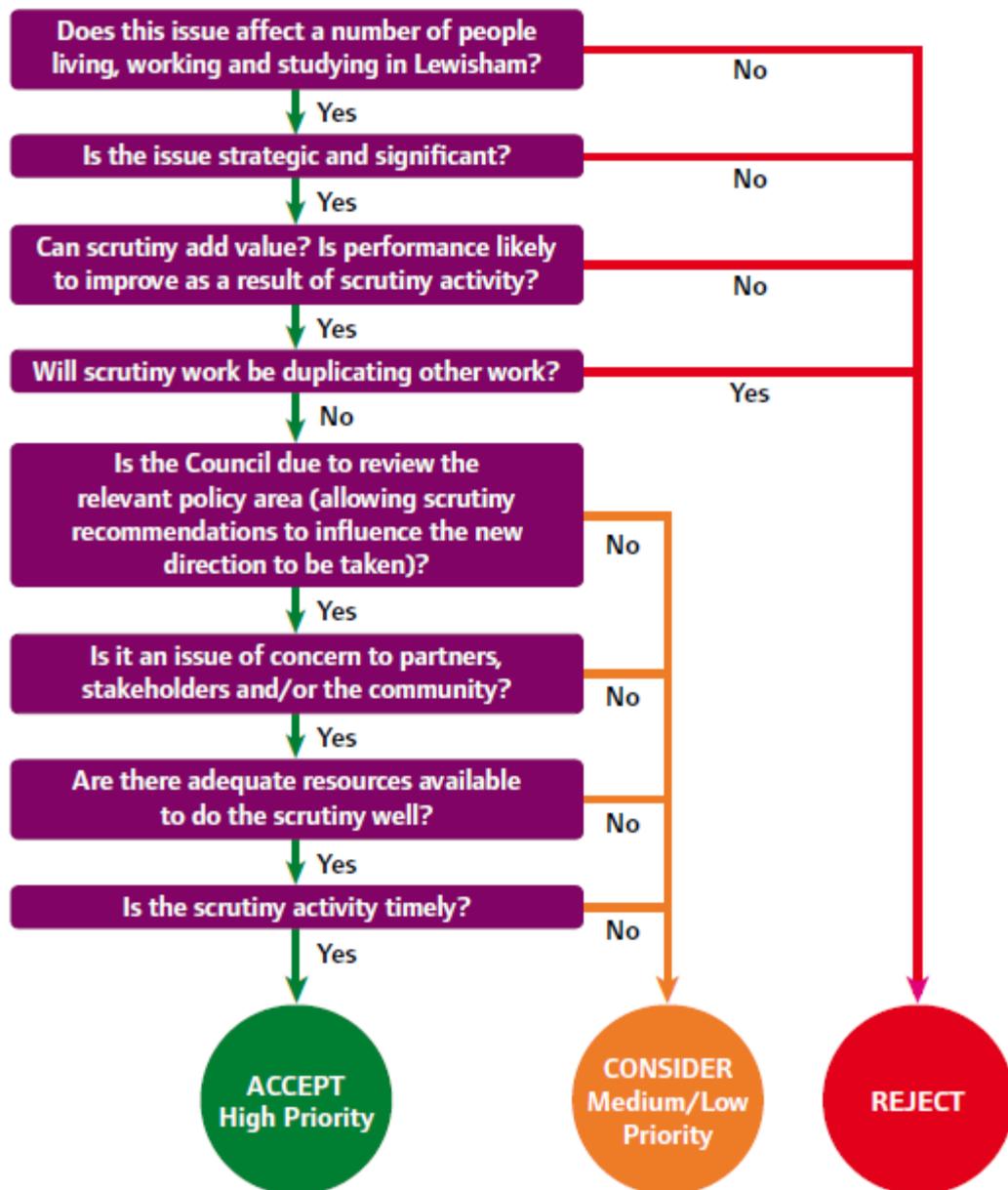
The date of the next meeting is Wednesday 5 July 2017.

Background Documents

Lewisham Council's Constitution

Centre for Public Scrutiny: the Good Scrutiny Guide

Scrutiny work programme – prioritisation process



Housing Select Committee work programme 2017/18

Programme of work

Work item	Type of item	Priority	Strategic priority	Delivery deadline	18-Apr	26-Jun	05-Jul	06-Sep	09-Nov	14-Dec	31-Jan	14-Mar
Lewisham Future Programme	Standard item	High	CP6	Ongoing				Savings				
Key Housing Issues	Standard item	Low	CP6	Ongoing								
Election of the Chair and Vice-Chair	Constitutional req	N/A	CP6	Apr								
Committee work programme 2016/17	Constitutional req	High	CP6	Apr								
New Homes Programme	Performance monitoring	High	CP6	Jul								
Lewisham's Housing Strategy - monitoring	Policy development	Medium	CP6	Jun								
Lewisham Homes' Articles of Association	Standard item	High	CP6	Jun								
Housing delivery models	Policy development	High	CP6	Jun		Scoping	Evidence	Evidence	Report			
Lewisham Homes	Performance monitoring	Medium	CP6	Sep				Annual report & business plan				
Brockley PFI	Performance monitoring	Medium	CP6	Sep				Annual report & business plan				
Housing zones update	Policy development	Medium	CP6	Oct								
Supported housing	Policy development	Medium	CP6	Oct								
Homelessness and temporary accommodation pressures	Policy development	High	CP6	Dec								
Housing and mental health review update	In-depth review	Medium	CP6	Dec						Update		
Lewisham Central opportunity site	Policy development	Medium	CP6	Jan								
Proposed rent and service charge increases	Standard item	High	CP6	Jan								
Annual lettings plan	Standard item	High	CP6	Mar								

	Item completed
	Item ongoing
	Item outstanding
	Proposed timeframe
	Item added

Meeting Dates:					
1)	Tuesday	18 April		5)	Thursday 9 Nov
2)	Monday	26 June		6)	Thursday 14 Dec
3)	Wednesday	5 Jul		7)	Wednesday 31 Jan
4)	Wednesday	6 Sep		8)	Wednesday 14 Mar

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FORWARD PLAN OF KEY DECISIONS

Forward Plan June 2017 - September 2017

This Forward Plan sets out the key decisions the Council expects to take during the next four months.

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Kevin Flaherty, the Local Democracy Officer, at the Council Offices or kevin.flaherty@lewisham.gov.uk. However the deadline will be 4pm on the working day prior to the meeting.

A "key decision"* means an executive decision which is likely to:

- (a) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
- (b) be significant in terms of its effects on communities living or working in an area comprising two or more wards.

March 2017	Preliminary Flood Risk Assessment Update	07/06/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
May 2017	Financial Results 2016/17	07/06/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Resources		
February 2017	Provision of Textile Collection Bring Back Service - Appointment to Framework	07/06/17 Mayor and Cabinet (Contracts)	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
February 2017	Replacement of Fleet Vehicles	07/06/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
January 2017	Award of contract for Sexual Health e-service	12/06/17 Overview and Scrutiny Business Panel	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
May 2017	Sydenham Park Footbridge Approval of Agreement with Network Rail	12/06/17 Overview and Scrutiny Business Panel	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
February 2017	Contract award report for bulge class scheme	12/06/17 Overview and Scrutiny Education Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
August 2016	The Wharves Deptford - Compulsory Purchase Order Resolution	21/06/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
May 2017	Evaluation of the Sustainable Community Strategy	21/06/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Joe Dromey, Cabinet Member Policy & Performance		
May 2017	Memorandum of Understanding on Participation of Central London Forward for Purposes of Employment and Skills Devolution and joint working procurement of Work and Health Programme	21/06/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
May 2017	Audited Accounts and Pension Fund Accounts 2016/17	21/06/17 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
March 2017	CRPL Business Plan 2017-18	21/06/17 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
February 2017	New Homes Programme	28/06/17	Kevin Sheehan,		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
		Mayor and Cabinet	Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
February 2017	Beckenham Place Park Programme Update	28/06/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
February 2017	Deptford Southern Housing Sites - Part 1 & Part 2	28/06/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
March 2017	Response to Consultation on Policy for Supported Travel Young People Attending College and Adults Eligible for Adult Social Care	28/06/17 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member for Health, Wellbeing and Older People		
May 2017	Lewisham Homes Articles of Association	28/06/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
May 2017	Housing Acquisitions Part 2	28/06/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan,		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			Cabinet Member Housing		
May 2017	Medium Term Financial Strategy	28/06/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
February 2017	Extending the shared IT service to Southwark	28/06/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
February 2017	IT Network re-procurement Brent and Lewisham shared service	28/06/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
April 2017	Proposed revision to the contract structure of the Downham Health & Leisure Centre PFI	28/06/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community		
May 2017	Contract Award Bulge Class Sandhurst school	11/07/17 Overview and Scrutiny Education Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
			People		
March 2017	Achilles Street Regeneration Proposals	19/07/17 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
January 2017	Catford Regeneration Programme Parts 1 and 2	19/07/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
May 2017	Financial Monitoring 2017/18	19/07/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
May 2017	Lewisham Future Programme 2018/19 Revenue Budget Savings	19/07/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
May 2017	Lewisham Adoption Service Statement of Purpose and Children's Guides	19/07/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
May 2017	Lewisham Fostering Service Statement of Purpose and Children's Guides	19/07/17 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
May 2017	Transfer of the Applications Support Function to the LB Brent Shared Service	19/07/17 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
May 2017	Sydenham Park Footbridge Contract Award	19/07/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
February 2017	Telephony re-procurement	19/07/17 Mayor and Cabinet (Contracts)	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
May 2017	Sangley and Sandhurst Road Highway Improvement Scheme Contract Award	19/07/17 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
May 2017	Financial Regulations and Directorate Schemes of	20/09/17 Council	Janet Senior, Executive Director for Resources &		

FORWARD PLAN – KEY DECISIONS					
Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
	Delegation		Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
May 2017	Report of the Barriers to Participation Working Party	20/09/17 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Suzannah Clarke, Chair Planning Committee C		
May 2017	Community Services Youth Review	04/10/17 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community		

FORWARD PLAN – KEY DECISIONS

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials

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