

Housing Select Committee Agenda

Tuesday, 18 September 2018
7.30 pm, Committee Room 1 - Civic Suite
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 Tuesday, 18 September 2018.

Ian Thomas, Chief Executive
Thursday, 6 September 2018

Councillor Susan Wise (Chair)	
Councillor Peter Bernards (Vice-Chair)	
Councillor Tom Copley	
Councillor Aisling Gallagher	
Councillor Leo Gibbons	
Councillor Silvana Kelleher	
Councillor Olurotimi Ogunbadewa	
Councillor Stephen Penfold	
Councillor Bill Brown (ex-Officio)	
Councillor Juliet Campbell (ex-Officio)	

MINUTES OF THE HOUSING SELECT COMMITTEE

Thursday 5 July 2018, 7.30pm

Present: Councillors Susan Wise (Chair), Peter Bernards (Vice Chair), Tom Copley, Aisling Gallagher, Leo Gibbons, Silvana Kelleher, Olurotimi Ogunbadewa and Stephen Penfold.

Apologies: Genevieve Macklin (Head of Strategic Housing).

Also Present: Tracy Jones (Operations Manager, Regenter B3), Louise Wallace (Contract Manager, Pinnacle), Sandra Simpson (Leasehold Manager, Pinnacle), Hugo Marrias (Operations Manager, Rydon), Margaret Dodwell (Chief Executive, Lewisham Homes), Adam Barrett (Director of Resources, Lewisham Homes), Jeff Endean (Housing Strategy and Programmes Manager), Rachel Dunn (Housing Policy and Partnerships Manager), Kevin Sheehan (Executive Director for Customer Services), and John Bardens (Scrutiny Manager).

1. Confirmation of the 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 Susan Wise be confirmed as the Chair and Councillor Peter Bernards be confirmed as the Vice-Chair of the Select Committee.

2. Minutes of the meeting held on 14 March 2018

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

3. Declarations of interest

The following non-prejudicial interests were declared:

- Cllr Peter Bernards is a member of the Lewisham Homes board.
- Cllr Silvana Kelleher is a Lewisham Homes tenant.
- Cllrs Aisling Gallagher is a Lewisham Homes tenant.

4. Responses from Mayor and Cabinet

There were no responses from Mayor and Cabinet.

5. Brockley PFI annual report and business plan (moved from agenda item 8)

Tracy Jones (Operations Manager, Regenter B3) and colleagues introduced the report. The following key points were noted:

- 5.1 In 2017/18, RB3 achieved an overall customer satisfaction level of 93%. This is 4% less than it achieved in 2016/17. This may have been the result of more

proactive fire safety work, such as the zero tolerance policy on items left in communal areas, which some residents have objected to.

- 5.2 Participants in the customer satisfaction survey are chosen randomly. Surveys are carried out through a combination of face-to-face, telephone and postal surveys. There are set questions, which have been used since the start of the contract.
- 5.3 The committee noted and queried the fall in the collection rate over the summer. Officers informed the committee that tenants are encouraged to pay by direct debit.
- 5.4 RB3 collected 96% of service charges in 2017/18. Very few leaseholders have historic balances. For those that have, RB3 have tried to come to an agreement, but have had to take court action in some cases.
- 5.5 Officers from RB3 informed the committee that its performance targets are part of the PFI contract.
- 5.6 The committee noted that at the last meeting of the previous municipal year, after considering an item on a service failure by the out of hours repairs service during a period of cold weather, the committee suggested that officers write to residents who expressed concerns and report back to tenant and leaseholder groups.
- 5.7 The Brockley Residents Panel provides residents with a range of opportunities to comment on services. In 2017/18 RB3 introduced new Focus Groups for residents to focus on key issues that are important to them.
- 5.8 Brockley also has a resident association and RB3 have identified a group of residents who require support in establishing a new residents association and will work with them on this.
- 5.9 RB3 officers have received mental health training and have ties with social services. If a tenant is having problems with paying their rent, officers will provide support before considering an eviction. Very few tenants were evicted in 2017/18. Most evictions are for illegal subletting.
- 5.10 Rydon also deliver free of charge works to vulnerable tenants, such as changing lightbulbs and changing locks if locked out.

Resolved: the committee noted the report.

6. Housing in Lewisham overview (moved from agenda item 5)

Rachel Dunn (Housing Policy and Partnerships Manager) gave a presentation. The following key points were noted:

- 6.1 Bringing empty homes back into use is part of the council's plans. There is also, among other things, a programme of property acquisition with Lewisham Homes, conversions of existing properties, and measures in the private rented sector to tackle rogue landlords.
- 6.2 The committee noted the increase in the number of people approaching the council for homelessness support since the coming into force of the Homelessness Reduction Act, and queried whether there has also been an increase in the number of people for which the council is accepting the full housing duty.
- 6.3 With Universal Credit soon to be rolled out in Lewisham, the council is expecting to receive some additional money for Discretionary Housing Payments (DHP). The council manages the money it had for DHP over the year and tries to forecast the impact of any changes, such as Universal Credit. It spends 100% of the money it receives for DHP.

Resolved: the committee noted the presentation.

7. Milford towers leasing arrangements (moved from agenda item 6)

Rachel Dunn (Housing Policy and Partnerships Manager) introduced the report. The following key points were noted:

- 7.1 The officer report is due to go to Mayor and Cabinet recommending the extension of the leasing arrangements at Milford Towers for a further 6 years while plans for the redevelopment of Catford Town Centre are formed.
- 7.2 Plans for the final decant of Milford Towers will be managed closely with Notting Hill Genesis. Plans will be made well in advance to avoid putting any unnecessary pressure on housing stock in Lewisham. Officers will work with tenants to find opportunities as they arise. The Milford Towers contract includes annual review points which allows the council to plan the decant over time.
- 7.3 Milford towers is used to house homeless families where the units are big enough. Any re-lets that come up will go to homeless families for temporary accommodation. No properties will be left empty awaiting demolition.
- 7.4 Rents at Milford Towers started out at around 70% of market rents.

7.5 Money from the Milford Towers contract goes towards the housing budget.

Resolved: The committee noted the report and agreed with the recommendations due to be made to Mayor and Cabinet on Wednesday 11th July.

8. Lewisham Homes annual report (moved from agenda item 7)

Margaret Dodwell (Chief Executive, Lewisham Homes) and Adam Barrett (Director of Resources, Lewisham Homes) introduced the report. The following key points were noted:

- 8.1 Over 2017/18, following the Grenfell fire tragedy, Lewisham Homes did a significant amount of work reviewing fire safety. Only three properties were found to have ACM cladding, which has now been removed.
- 8.2 Lewisham Homes have reduced the number of homes being built for market sale so that more are available for social rent. Out of the 29 new build properties in 2017/18, 8 were for market sale.
- 8.3 Lewisham Homes would like to see housing officers spending more time out on estates, visiting tenants if and when they need something. This is the direction of travel, however Lewisham Homes does not yet have the technology for fully mobile working like this.
- 8.4 Lewisham Homes collects information about its residents on an individual basis in order to get to know tenants better, improve services and flag up where tenants require support.
- 8.5 Lewisham Homes has a downsizing initiative, which has had some success. The underlying issue is however that there is more demand than supply. Lewisham Homes said that it is important to review the support and incentives to downsize and that this is something they will look at again.
- 8.6 Lewisham Homes acknowledged that they have had some problems with their customer service line. They are working hard to improve things and will come back to the committee on this. The average call turnaround time is currently around 2 minutes. Communications and engagement is an area of improvement that Lewisham Homes are focussing on.

Resolved: the committee noted the report.

9. New Homes Programme (moved from agenda item 7)

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

- 9.1 There will be three more projects involving Modern Methods of Construction, such as PLACE/Ladywell, over the next 18 months. Unlike PLACE/Ladywell, which is temporary housing, the next projects will be permanent housing.
- 9.2 The New Mayor has pledged to create 1,000 social homes over the next four years. Officers are currently planning for this and will bring a report in the autumn.
- 9.3 Officers are looking into ways of raising the finance necessary for these additional social homes. This includes speaking to the GLA about grant funding. Officers expect this to be formalised over the next few months.
- 9.4 Officers said that the council has enough delivery vehicles to build what it needs to, but stressed that the biggest challenge is land.

Resolved: the committee noted the report.

10. Select Committee work programme

John Bardens (Scrutiny Manager) introduced the draft committee work programme for 2018/19. The committee made the following comments and suggestions:

- 10.1 To include an item on the work programme looking into the way the council carries out consultation with residents of estates due for regeneration. Officers mentioned Achilles Street as a current example.
- 10.2 To include an item on the work programme looking at the housing element of the Lewisham Local Plan.

Resolved: the Committee agreed the work programme for 2018/19.

11. Referrals

There were no referrals.

The meeting ended at 21.45pm

Chair:

Date:

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Housing Select Committee			
Title	Declarations of Interest	Item No.	2
Contributor	Chief Executive		
Class	Part 1 (open)	18 Sept 2018	

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	Working in the Private Rented Sector.		
Key decision	Yes	Item no	4
Wards	All		
Contributors	Executive Director of Customer Services Head of Law		
Class	Part 1	18 th September 2018	

1. Summary

1.1 The purpose of this report is to:

- provide an update on the work of the Private Sector Housing Agency (PSHA), including the delivery of the additional licensing scheme introduced in February 2017. Committee are asked to note the 58% increase in the number of licences secured during the last financial year from 231 to 366 (details in table below);
- summarise the details of the Governments extension to the mandatory licensing scheme taking out the 3 storey requirement and the work underway to promote this new scheme;
- summarise the work being undertaken to deliver on the manifesto commitment to deliver an all Borough selective licensing scheme;
- summarise some of the key policy changes and developments relevant to the Private Rented Sector (PRS);
- summarise the new tool of Civil Penalty Notices now operating which was introduced in the Housing & Planning Act 2016 to add to the existing Housing Enforcement powers to tackle poor standards.

2. Recommendations:

2.1 The Committee is asked to:

- consider and note the content of the report, especially relating to the all Borough licensing project which will be presented to Mayor & Cabinet next year, and the future direction for managing the PRS.

3. Policy Context:

- 3.1 The housing landscape is rapidly changing and demand is increasing across all tenures. The private rented sector in Lewisham is growing rapidly and now consists of more than 30,000 homes and makes up more than 25% of all households in the Borough. Families and single people are now all relying on the private rented sector to provide a home. This is consistent with the trend across London where the growth in private renting continues.
- 3.2 Despite the increasing costs of private renting, the sector is expected to grow further in Lewisham to a level comparable with, or even in excess of, the social rented sector which is 31% based on 2011 census data. This is due in part to the relative unaffordability of home ownership as a result of rapidly increasing house prices, the large numbers of households on the housing waiting list (9,579 households as of July

2018) and relatively low levels of lets, all of which when combined means that Lewisham residents are more reliant on the private rented sector than ever before.

- 3.3 The London Mayor is committed to tackling standards in the PRS and tackling the worst landlords and has launched a new online database that “names and shames” rogue landlords. The new database - the Landlord and Agent Checker - was built in partnership with all London Boroughs and is published on the Mayor’s website. It publishes details of criminal landlords and letting agents who have been successfully prosecuted for housing offences over the last 12 months. Lewisham have to date 2 landlords on this register. One landlord has been prosecuted for non-compliance of a prohibition order under the Housing Act 2004, and the other has been prosecuted for illegal eviction and landlord harassment.
- 3.4 Other changes include the Energy Efficiency (Private Rented Property)(England and Wales) Regulations 2015 which establish a minimum level of energy efficiency for privately rented property in England and Wales. The regulation means that, from April 2018, landlords of privately rented domestic and non-domestic property in England or Wales needed to ensure that their properties reach at least an Energy Performance Certificate (EPC) rating of E before granting a new tenancy to new or existing tenants. These requirements “apply to all private rented properties in England and Wales – even where there has been no change in tenancy arrangements – from 1 April 2020 for domestic properties and from 1 April 2023 for non-domestic properties.”
- 3.5 The contents of this report are consistent with the Council’s policy framework. It supports the achievements of the Sustainable Community Strategy policy objectives:
- Ambitious and achieving: where people are inspired and supported to fulfil their potential.
 - Empowered and responsible: where people can be actively involved in their local area and contribute to tolerant, caring and supportive local communities.
 - Healthy, active and enjoyable: where people can actively participate in maintaining and improving their health and well-being, supported by high quality health and care services, leisure, culture and recreational activities.

The report is also in line with the Council policy priorities, in particular:

- Decent homes for all - Investment in social and affordable housing, improve housing conditions and tackle homelessness

The work of the Agency will also help meet the Council’s Housing Strategy 2015-2020 in which the Council commits to the following key objectives:

- Helping residents at times of severe and urgent housing need
- Building the homes our residents need
- Greater security and quality for private renters
- Promoting health and wellbeing by improving our residents’ homes

4. Working in the Private Rented Sector:

- 4.1 The Private Sector Housing Agency was re-merged in June 2017 bringing the key services that work with the private sector, Empty Homes, Rogue Landlord services, Licensing & Enforcement, Grants and Loans to support frail and disabled clients to remain in their homes and the Procurement team that source temporary accommodation for a range of Council services. Re-forming this team brings together various areas of expertise under one manager.

- 4.2 One of the key priorities for the Agency is to deliver both the mandatory and additional licensing schemes (detailed below) to help drive up standards in the private rented sector.

Mandatory & Additional Licensing Update:

- 4.3 A series of reports to Housing Select Committee and Mayor and Cabinet have been submitted over the last few years which have set out the work of the Private Sector Housing Agency delivering schemes that tackle rogue or criminal landlords; that address property standards through targeted enforcement and most recently sought and secured approval for an expansion of an additional 5 year licensing scheme which was launched on the 11th February 2017.
- 4.4 The Council currently operates two separate licensing schemes with a new extension to the mandatory scheme from October 2018:
- Mandatory scheme relating to all Houses in Multiple Occupation (HMOs) that are three storeys or above with shared bathroom or kitchen facilities, where there are at least five people living in two or more households. The standard fee is £500 per lettable unit/room over 5 years (£100 pa) to a maximum of £5,000 per property, although there are exemptions for accredited landlords, early application and multiple landlords. This is a national scheme operated by all Councils, although the fees are specific to Lewisham.
 - The extension of the Mandatory scheme relating to all Houses in Multiple Occupation (HMOs) that consist of five or more occupants from two or more households, removing the storey criteria. More information on this new extension and the Council's preparation work is set out in section 4.7 below.
 - Additional licensing relating to HMOs above commercial premises where there are at least three people living in two or more households, or poorly converted privately rented self-contained flats. This scheme has been operating since February 2017 and is Lewisham specific. The same fee regime is in place as above. The reasons for adding an additional licensing scheme in Lewisham was because all available data highlighted that the poorest standards, conditions and hazards in the private rented sector are to be found in shared accommodation and within flats over commercial properties and data was available to support the case. The following sets out some of the results from this scheme as the work rolls out.
- 4.5 Below are tables to show the performance to date and the lessons we are learning from this process.

Table 1 shows the numbers of properties which have been licensed by year over the last 6 years:

Date:	Number of licenced properties	Mandatory or additional
31 st March 2013	169	Mandatory
31 st March 2014	168	Mandatory
31 st March 2015	185	Mandatory
31 st March 2016	196	Mandatory
31 st March 2017	231	Mandatory
31 st March 2018	366	Mandatory & Additional

Table 2 shows for the first four months (April to August) of the 18/19 financial year:

	Numbers
Mandatory licensed properties	312
Additional licensed properties	87
Total Licensed properties (both mandatory and additional)	= 399
Active pipeline of properties identified by officers as HMOs on visits; where Notices have been served declaring the property as an HMO; where packs for legal action/CPNs are in progress or where a licence application has been started by a landlord but not completed. A large % of these are either in the process/or in dispute.	50

These tables highlight the success that the PSHA is having finding and licensing HMOs, compared to previous years. The work that is underway is also bringing out some key lessons for the service, trialling different approaches, testing what works and what does not yield the desired outputs as well as identifying some areas where focus should be placed for campaigning more widely in the future or where an extension to licensing could be beneficial. The Agency are confident that the ambitious targets (summarised below) will be delivered both in this and the remaining 4 years of the project. However it should be recognised that it is very time intensive finding and licensing HMOs. More details will be provided at the meeting.

The target was to identify and licence 4500 licensable units/rooms under the additional scheme. The number was estimated based on initial street surveys. This is a very ambitious target and would require **300 new additional properties per annum for each of the next 5 years**. This is challenging, but every effort will be made to meet this target and good progress is being made.

The income target for 2018/19 of £350k is on track to be delivered.

4.6 Ongoing lessons learnt:

- There has been an increase of 59 mandatory licences over the 17/18 financial year which is an increase of nearly 26% in the number of licensable properties in less than a year;
- Table 2 shows this trajectory is continuing with an increase of 22 mandatory licences issued in the first four months of the financial year, an increase of nearly 8%. We are confident with the new staff employed as part of the restructure who will joining us in autumn 2018 and the extension to the mandatory scheme the numbers of properties licensed will continue to rise.
- As the additional licensing scheme is specifically targeted at HMOs above commercial premises and not all properties that are privately rented in an area or across the Borough (as a selective licensing scheme would be) there is a much higher potential for “push-back” by landlords who dispute their properties fall within the conditions of the licensing scheme. This makes the work of the team very labour intensive focusing on proving the case, sometimes through Court rather than tackling disrepair and poor landlord practice. The roll out of the Civil Penalty Notices in Lewisham on the 1st August 2018 will help us where landlords are reluctant to licence as they could incur a penalty of, on average, £10k and this process avoids the need for a Court appearance.
- To identify small numbers of HMO there has been extensive visiting and online research. The team has recently begun data gathering and mapping to help identify areas to target. Maps have been produced using data from HMO and

disrepair complaints received by the council, Housing Act notices served by the Private Sector Enforcement Team, census data around housing stock and household composition, and from our own databases.

To support the delivery of the licensing programme officers are:

- utilising data from key data sources, including Council Tax and Waste Management. Unfortunately the data has not been that useful to our work and the success rate is the same with standard visits. However we are working to update our current IT system and the data we can extract so this area will develop in importance, working in tandem and learning lessons from the Housing Trailblazer.
- utilising the GIS mapping system to identify privately rented accommodation around transport hubs; near colleges and above pubs as they are often sources of higher than average HMOs and as a way of identifying rented properties that are above commercial premises. A programme of visits are underway;
- introduced a programme of regular street surveys every 10 - 12 weeks targeting particular streets and visiting them over two - three days, flooding the area with enforcement staff. Officers are assertive about their requirement to get into property to inspect, and serve Notices on tenants immediately if they refuse access. Areas are selected based on data and research – and this is overlaid by substantial local knowledge within the team.
 - In October 2017 the survey was focused on Telegraph Hill. The survey only uncovered 6 potential new licensable properties (4 mandatory and 2 additional) but it also uncovered 1 overcrowded hostel with 74 occupants and one hostel with 94 occupants with unsatisfactory fire precautions. A joint visit with the fire brigade resulted in the LFB serving a Notice to improve fire safety. The Council's PSHA also served a Notice to remedy overcrowding and disrepair. If the owners do not comply this will be prepared for immediate prosecution.
 - In January 2018 the street survey was arranged around the Bellingham, Whitefoot, and Downham wards. 1200 properties were visited with access gained to 476 properties on the first try. 5 licensable and 12 non-licensable HMOs were identified by officers with a further 43 properties warranting further investigation.
 - In April 2018 we visited 1341 properties in the Brockley and Forest Hill areas of the borough. Access was gained to 424 properties, or 32% of those visited. 20 currently licensable HMOs were identified by officers and a further 15 HMOs which will become licensable with the extension of mandatory licensing were discovered. Officers also inspected 26 non-licensable HMOs and found 10 instances of disrepair in properties. Officers recorded the tenure for all properties giving a breakdown for the area. Based on the properties the officers were able to confirm the tenure type for 42% were owner occupied, and 58% were in the private rented sector. Of those properties identified as being in the private rented sector the vast majority, 73%, were not HMOs, with only 27% being identified as HMOs.
 - A further survey is planned for the Evelyn ward during the w/c 20th August 2018.

Extensions to the existing mandatory licensing schemes from October 2018:

- 4.7 The Government have extended the existing Mandatory licensing scheme as set out in the Housing Act 2004, removing the three storeys or more criteria so that any HMO with five or more occupiers, regardless of how many floors, will fall within the scope of the mandatory licensing scheme. In addition, the Government intends to extend mandatory licensing to flats which are occupied by five or more occupiers/two or more

households if it is in a converted building or where part of a building is used for commercial or other non-residential purposes.

- 4.8 It is estimated that the current proposals will make an additional 174,000 HMOs subject to mandatory licensing nationwide. Current estimates for Lewisham based on data from Council Tax and planning enforcement is around 400 two storey HMOs in Lewisham. This however is only an estimate and data from these sources has not been wholly reliable for the PSHA. However just because the properties currently fall within the scheme landlords can use a range of tactics to avoid being included which would dampen outcomes. Data is being collected now as part of the current visiting regime but until the scheme is up and running it is difficult to firm up the numbers and the potential. It is likely that the bulk of these additional properties will be found in the South of the Borough where there has been an issue of conversions of 2 storey properties into HMOs, especially around Downham, Whitefoot and Bellingham.
- 4.9 The new scheme will be brought into force in October 2018. There will be a six month grace period for landlords to comply with the new requirements. Failure to obtain the correct licence after the end of the grace period would allow the local authority to initiate criminal proceedings with unlimited fines imposed on those found guilty of an offence and the possibility of rent repayment orders being made or fixed penalty notices of up to £30,000. The average is likely to be around £10,000. However the Council's approach will be to work hard with landlords to apply and conform to the requirements of the new licensing scheme and only use the full force of the law and the penalties available to those landlords who have no intention of complying.
- 4.10 To date Officers have been working hard to identify and link with landlords to get them to engage with the Council and to take advantage of the Early Bird discounts that have been on offer since April 2018. There are over 90 properties that officers have identified as likely to fall into the extended scheme. However, as above, identifying them and getting landlords to accept they are licensable are very different.
- 4.11 To support the roll out of the extension scheme we have:

Promoted the scheme:

- through a poster campaign which will commence on the 1st August 2018 until the 15th September, and has the potential to be extended if successful. This has been prepared in conjunction with our communications team and will be displayed across the Borough at a minimum of 8 different locations on existing street furniture;
- have set up dedicated pages on the main general Council website at [https://www.lewisham.gov.uk/myservices/housing/landlords/hmo/Pages/Which-houses-in-multiple-occupation-\(HMO\)-need-to-be-licensed-in-Lewisham.aspx](https://www.lewisham.gov.uk/myservices/housing/landlords/hmo/Pages/Which-houses-in-multiple-occupation-(HMO)-need-to-be-licensed-in-Lewisham.aspx) and included information within the housing pages itself at <https://www.lewisham.gov.uk/myservices/housing/landlords/hmo/Pages/default.aspx>, with links to the amended licensing application form;
- are maximising the use of social media including the Council's Facebook and Twitter pages during July and August 2018 and these will be updated at regular intervals throughout the year. Lewisham's licensing tweet was seen as the "42nd most engaging tweet" from UK Government accounts on 5th August with a potential reach of over 32,000.
- have utilised Lewisham Life both the paper and e-mail copies
- have a programme of visits by the team managers in place for lettings agents where the new scheme will be promoted;
- will be attending landlord events in the autumn to showcase our information. We are looking to hold a session with landlords on how to serve S21s effectively as this will attract many landlords now the requirements have changed;

- are promoting through the officers themselves by using email strap lines for all licensing staff email traffic;

Offered Cash incentives:

- introduced in April 2018 an “Early Bird” discount scheme offering a 20% discount of the licensing fee for landlords who apply and pay before 28th September 2018. Further discounts are offered to landlords if they are members of an accredited Landlord association and also if they already have a licensed a property in Lewisham. Information can be found on the council’s website www.lewisham address.

Recruited & Trained staff:

- have diverted resources to the newly merged licensing and enforcement teams following our restructure, who will be responsible for delivering this scheme. They will ensure that the Private Sector Housing Agency (PSHA) continues to identify, inspect and set housing licensing conditions (such as waste management and minimum room sizes) to improve living conditions of not only for HMOs but also the neighbourhoods they are located in. They will also be working hard to reach the agreed income targets.

Are working jointly with other Boroughs on a project called London Lockdown:

- Lewisham is currently an active member of a cross Borough initiative including 8 other London Boroughs who are working collectively to try and tackle what is seen to be a proliferation in 2 storey HMOs converted from traditional 3 bed street properties and used by often vulnerable households. This project is focused on sharing intelligence and best practice where possible; challenging judgements that could set precedence in court and lobbying London and national government.

4.12 Like Lewisham, some other Boroughs have also introduced other additional or selective licensing schemes to tackle specific problem areas. The details of other Borough schemes can be seen at **Appendix 1**. Even with the new HMO extension scheme rolling out in October, Councils will still retain the ability to introduce other selective or additional licensing schemes if they meet the prescribed conditions.

Selective licensing – a business case for submission of a request to the Secretary of State:

4.13 The idea of introducing an “all-Borough” selective scheme was considered in 2015 but at that time there was a lack of robust evidence to support the need to have this type of scheme. However Officers are re-visiting this option as the size and contribution of the PRS grows in the Borough, in line with the Mayors manifesto commitment for borough-wide licensing of private rented sector properties. There is a requirement to submit substantial evidence and consult residents and landlords prior to introducing a selective licensing scheme and officers are currently working on gathering the body of evidence required.

4.14 To be considered any selective licensing scheme must form part of the council’s wider housing strategies, including homelessness, regeneration, ASB and empty homes. The documentation must set out the role that Police and Social Services will play in ensure the designation reaches its goal and must first consider other courses of action that might provide an effective remedy.

4.15 The evidence must demonstrate the proposals cover an area which is experiencing significant and persistent problems, and that some or all landlords are failing to take

action to combat the problem that would be appropriate for them to take. Also, that making a designation will lead to a reduction in, or elimination of, the problem.

- 4.16 Selective Licensing of Houses (Additional Conditions) Order 2015 states licensing can be used if the area is experiencing one or more of the following:
- Low demand – not relevant in Lewisham
 - High Anti-Social Behaviour
 - High migration
 - Poor housing conditions
 - High levels of deprivation
 - High level of crime
- 4.17 Approval from the Secretary of State (SoS) is needed if the designation covers more than 20% of the PRS stock in the area and more than 20% of the total geographical area. Approval is therefore required for borough-wide licensing. This change was implemented in 2015. Newham, Barking and Dagenham, Waltham Forest and Croydon all commenced their borough-wide licensing schemes before the requirement to obtain SoS approval. Newham have since renewed their licensing scheme with SoS consent. Brent and Redbridge have also obtained SoS approval. Haringey are in the process of obtaining their approval.
- 4.18 It should be noted that no London borough has a full SoS approved borough-wide licensing scheme, even Newham, as the Olympic Village was excluded. Redbridge applied for a borough-wide scheme and were refused, due to the SoS acknowledging the need for licensing in some parts of the borough only but not across the entire borough. They subsequently received approval for a smaller scale scheme.
- 4.19 A review of Newham, Brent and Redbridge's evidence bases has taken place (**Appendix 2**), as they have all had approval from the SoS for their near borough-wide selective licensing schemes. Haringey's has also been included as they are about to submit their evidence base for approval. The range of evidence required to put together an application is significant and combines both council held, regional and national data. An assessment has been made of the availability in Lewisham of the evidence used by other boroughs. Data within Lewisham is held separately by each internal team and it will be necessary to bring datasets together to build up the evidence base.
- 4.20 Analysis to date has centred on open source data which is freely available. The Index of Multiple Deprivation data has shown some clear evidence in support of licensing in the borough. Lewisham lies within the most deprived 15% of Local Authorities in England. Lewisham is considered the 10th most deprived London Borough. Indices for Income, Crime, Housing and Environment are all ranked very low - within the most deprived 5%. The Government report explicitly states Lewisham is in the top 20 districts with the highest proportion of children and older people in Income deprivation. The Education index is the only one ranked in the least deprived half in England.
- 4.21 As well as demonstrating evidence for each of the five criteria listed above, it will also be necessary to use a combination of council held datasets to make an up to date assessment of the size and scale of the private rented sector in Lewisham in order to map it. This will require access to datasets such as Council Tax and Housing Benefit and matching of these datasets. The process of identifying, obtaining and analysing data, to form a robust evidence base which can stand up to the scrutiny of residents, landlords and the SoS, is expected to take some time, as shown by the project plan.
- 4.22 A project team to progress the development of the evidence base, consultation documents and application to the SoS has been established. The project team meet monthly and report to the Head of Housing via the Private Sector Housing Project

Board. The project team will report by exception / highlight report to the monthly Housing Programme Board.

- 4.23 The project plan has an outline date of early 2020 to submit an application to the SOS, but this could be brought forward if the time allocated to the collection and collation of the required evidence can be reduced.
- 4.24 A further report will be made to Housing Select Committee and Mayor and Cabinet once the evidence base has been compiled. These reports will present a summary of the findings and seek approval to proceed to with a public consultation.

5. Rogue Landlords and Controlling Migration Fund:

- 5.1 Through previous funding from DCLG, Lewisham was at the forefront of the work on Rogue landlords within London, despite having very limited resources to deal with this problem.
- 5.2 At the end of the 2016/17 financial year the DCLG offered additional - Controlling Migration - funding (CMF) to tackle rogue landlords across the capital to include all exploited citizens but also looking at recently migrated members of the community as they are often the most vulnerable and open to exploitation. The funding was to be used to tackle landlords who often subjected tenants to horrendous living conditions, illegal evictions and excessive or illegal fees. The proliferation of properties which are run by criminals has wider spread negative impacts on the established resident community, often as a consequence of overcrowding and poor maintenance.
- 5.3 To tackle the problem of rogue landlords in the borough we secured £200k funding from this pot for 2 years to June 2019. The funding was to support the appointment of two specialist posts (Private Sector Housing Fraud and Intelligence Officer) one officer from a police background the other a lawyer as well as support for the London Wide London Lockdown partnership project. Officers have been working since July 2017, investigating reports of criminal activity as related to housing offences, preparing prosecution packs for our legal team to progress and to provide an immediate response where there are ongoing illegal evictions. The numbers of prosecutions have already increased with 13 new cases being referred to legal services for prosecutions since July 2017. That compares to one case in 2015/16 and 2016/17. The numbers are still small but the work to investigate and collate evidence for court is slow and time consuming. In addition to working on priority cases these officers also tackle around 15 cases of illegal eviction and 15 cases of tenant harassment per month, getting tenants back into their homes where it is safe to do so. There is a further bid round for additional funding from MHCLG that closes in October that officer are preparing a bid to extend the work of this team for a further 2 years.

The main purpose of this team is to:

- track rogue landlords across the borough, utilising data that is already collected and adding new data and facts to build a comprehensive picture of the activities of the landlords.
- Develop a clearer picture of the rogue landlord problem (the true extent of the problem across the borough, risk factors, at risk groups, repeat offenders, understanding of interface with criminal activity such as running of cannabis farms or brothels;
- Fully utilise intelligence from as many local partners as possible and work collaboratively, sharing knowledge amongst local partners.
- Identify at risk occupants and work with internal teams, and partners to ensure that support and housing advice and options are provided, particularly in cases where criminal landlords are being prosecuted;

- Initially target 10 of the worst offending for in-depth investigation and prosecution where this is possible;
- Build case files for individual landlords specifically geared for successful prosecution.

A recent prosecution relates to a landlady who said that she was not letting out 2 windowless basement flats. On a scheduled inspection the rooms were found to be clear although a Prohibition Order was served. On a re-inspection in the early hours of the morning after obtaining a warrant, 8 people were found living in bunk beds in these small rooms. A summons has been served and the case is progressing to court.

The landlady was found guilty and was convicted and fined £5000 for non-compliance of the Prohibition Order served.

A second case relating to a property in Downham involved a landlord trying to “persuade” a tenant to leave in order to upgrade property and re let to more affluent tenant at a much higher rent. The tenant had a long-standing tenancy and was not willing to give up possession as they had no other option for housing. The landlord cut off the water and gas, and attempted to physically evict the tenant, during which the tenant was bitten on the arm. Police were called, and tenant was reinstated. The landlord refused to attend a PACE interview and the case has been presented for prosecution.

6. **Refreshing the Private Sector Housing Enforcement and Licensing Policy – Housing & Planning Act 2016:**

- 6.1 The Housing Enforcement services of the Council currently operate within the framework of the Private Sector Housing Enforcement and Licensing Policy as agreed in 2006. This policy has been refreshed to incorporate best practice and to maximise the opportunities provided by legislative changes contained in the Housing and Planning Act 2016 (although some powers are yet to be brought forward). The full Private Sector Housing Enforcement and Licensing Policy October 2017 can be made available on request. This was approved by the Mayor & Cabinet in January 2018.
- 6.2 The Housing and Planning Act 2016 includes some new powers and obligations introduced by the Government to tackle rogue landlords and improve standards in an increasing important housing sector. The key proposed change relates to the introduction of Civil Penalty Notices (CPN) which are summarised below. These were approved by Mayor & Cabinet in January 2018. The process has been worked through with the legal team and launched on the 1st August 2018 and we are now taking the first case through this route where a landlord has failed to licence and HMO. The potential fine is £10,000.
- 6.3 Civil Penalty Notices (CPN). The powers conferred by the Housing and Planning Act 2016 (HPA 2016), allow local authorities to issue a Notice of the intention to impose a Civil Penalty of up to a maximum of £30,000, as an alternative to prosecuting offences under the Housing Act 2004. Currently cases that are presented to Court for breaches under the Housing Act are time consuming and expensive to administer. A successful prosecution may only result in the Council receiving the court costs and not the fine imposed. The CPN allows the Council to retain any financial penalties imposed for specific breaches of the 2004 Act, relating to landlords who, for example, fail to comply with Improvement or Overcrowding Notices, breaches of the HMO licensing conditions, or failure to licence. This income can be used to support the enforcement work of the team.

The level of the penalty would be calculated based on a proposed matrix with an average fine for not licensing an HMO being around £10,000.

It is envisaged that the Council, would still submit cases for prosecution to the Criminal Court for the most serious or repeat offenders where it is agreed that a criminal prosecution is most appropriate.

6.4 Other areas relevant to the work of the Agency include the creation of a National Rogue Landlord and Property Agent Database, that will sit alongside the London Mayors proposals and the extension of Rent Repayment Orders (RROs). The Act also introduces Banning Orders which can prevent an unfit person from being a landlord/letting agent, but the legislative detail is yet to be published. All the existing enforcement powers under the various Acts in use in the Agency remain in place. These tools below are additions to current Enforcement powers:

- National Rogue Landlord Database: A national database of rogue landlords and property agents has been introduced which is accessible to local and central government bodies. The database will include information on landlords who have been served with a banning order, convicted of a banning order offence, or have received two or more Civil Penalties Notices. There is ongoing consultations as to which criminal offences should be regarded as banning order offences and will therefore be included on the database. The database will also include details of any letting agents who persist in charging fees to tenants after the new regulations banning this activity come into force.
- Extension of Rent Repayment Orders (RROs): Tenants or the Council may apply to the First Tier Tribunal ((FTT) for the repayment of rent, either rent paid by the tenant or rent paid through Housing Benefit. Under the HPA 2016 tenants now do not need to rely on the local authority obtaining a conviction before they can make their own application for an RRO. An application for a RRO can be made if there has been a breach of a key section of the Housing Act 2004 including failure to comply with a prohibition notice or breaches specifically relating to not having a licence, failure to comply with Notices relating to, for example, overcrowding or the issuing of management regulations. A RRO application can also be made for other legislative breaches committed by landlords and property agents that affect their tenants including the Criminal Law Act 1977 (S6(1) and Protection from Eviction Act 1977 (S1(2), (3) or (3A).
- Banning Orders came into effect 1st April 2018. The aim of introducing banning orders is to rid the sector of the worst rogue landlords and as a result improve property and management standards within the private rented sector. They will also help local authorities to take robust and effective action against rogues who knowingly rent out unsafe and substandard accommodation.

Landlords subject to banning orders will also not be able to earn income from renting out housing or engaging in letting agency or property management work. Proposed banning order offences as outlined in the government consultation include:

- illegally evicting a tenant
- renting out a property decided to be unsafe as a dwelling by local authorities
- failing to carry out works required by local authorities to prevent health and safety risk to tenants
- renting out a property to an illegal migrant
- using violence, or threatening violence against a tenant
- making fraudulent applications for housing benefit, or committing identity theft
- using the property to cultivate cannabis
- theft or criminal damage

- colluding with the tenant to commit a criminal offence, such as tax evasion or the supply of illegal drugs.

Officers are waiting further advice from Government but are proposing to add this tool to the revised Enforcement policy after guidance is issued.

8. Financial implications

- 8.1 The purpose of this report is to update members on the work of the Private Sector Housing Agency (PSHA), which includes progress on the implementation of the additional scheme introduced in February 2017. As such, there are no direct Financial Implications arising from this part of the report
- 8.2 The report also provides a summary of the key policy changes and developments relevant to the Private Rented Sector (PRS) such as extending the mandatory scheme to remove the 3 story or more criteria, which comes into force from October 2018. The extension to the scheme will be contained within existing resources.
- 8.3 The introduction of a selective licencing scheme will require evidence to be gathered and the submission of an application to the SOS. The project plan has an outline date of early 2020 to submit this application.
- 8.4 A further report will be made to Housing Select Committee and Mayor and Cabinet once the evidence base has been compiled. These reports will present a summary of the findings and seek approval to proceed to with a public consultation. Where necessary, the financial implications of each issue will be considered in specific reports as matters progress.
- 8.3 The first tranche of funding from the DCLG controlling migration fund has been received by the authority following a successful bid for additional resources. This has enabled the authority to employ two officers to tackle rouge landlord issues.

9. Legal implications

The Housing and Planning Act 2016 (HPA) introduces new provisions which are intended to penalise unscrupulous and irresponsible landlords who fail to provide safe and healthy accommodation. These new provisions / powers include;

- Civil penalties of up to £30,000
- Extension of Rent Repayment Order
- Banning orders for most prolific offenders
- Database of rogue landlords/property agents
- Tougher fit and proper person test for landlords of licensed properties
- Sharing data on tenancy deposit schemes with local authorities.

The most significant of those listed above is the introduction of civil penalties. Section 126 of The Housing and Planning Act 2016 (which came into force on 10 March 2017 and amends the Housing Act 2004,) allows financial penalties to be imposed as an alternative to prosecution for certain offences. Details of the offences to which a civil penalty may be imposed are as set out within Appendix 2 of the Act.

Unlike fines issued by the Courts when criminal prosecutions are taken, income received from a civil penalty may be retained by the local housing authority provided that it is used to further the local housing authority's statutory functions in relation to their enforcement activities covering the private rented sector. This means that any income received from civil penalties issued can be reinvested into carrying out more enforcement work to bring about further improvements within the private rented sector

(PRS). The practical difficulty remains that the investigating officer must ensure that all necessary evidence to prove the main offence is available when choosing whether or not to pursue either a civil penalty or a prosecution. Thus, it is still time consuming for officers whichever route is ultimately chosen and careful reasonable use of agreed criteria for each case will be needed.

The Council's additional powers and duties under the Housing Act 2004, as amended by the Housing and Planning Act 2016, along with other relevant legislation are set out in the body of this report.

The Equality Act 2010 (the Act) introduced a new public sector equality duty (the quality 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.

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.

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.

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/>

The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- i. The essential guide to the public sector equality duty
- ii. Meeting the equality duty in policy and decision-making
- iii. Engagement and the equality duty
- iv. Equality objectives and the equality duty
- v. Equality information and the equality duty

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/>

10. Crime and disorder implications

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

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12 Environmental implications

12.1 There are no environmental implications arising from this report.

13. Originator

For further information please contact Madeleine Jeffery (Private Sector Housing Agency Manager) on Madeleine.jeffery@lewisham.gov.uk or 0208 314 9484.

Appendices:

- Appendix 1 = Other Borough Licencing schemes summary
- Appendix 2 = Grid of the evidence used by other boroughs with near to borough-wide licensing and an assessment of Lewisham's data

Appendix 1 – Summary of other Borough licensing schemes;

London Borough licensing summary

Borough	Scheme
B&D	Borough wide selective licensing prior to 2015 changes
Barnet	Additional HMO licensing
Bexley	Selective licensing for all PRS in 4 areas
Brent	Extended (not borough-wide) selective licensing, SoS approval granted in 2017. Different designations for different areas.
Bromley	No additional or selective licensing scheme
Camden	Additional HMO licensing
City	No additional or selective licensing scheme
Croydon	Borough wide selective licensing prior to 2015 changes
Ealing	Borough wide additional and selective for some areas
Enfield	Attempted borough wide licensing in 2014 but was subject to judicial review, which found the proposals were not lawfully designated. No further proposals have been made.
Greenwich	Additional HMO licensing
Hackney	Borough wide additional and selective for some areas
H&F	Borough wide additional and selective for some areas
Haringey	Additional licensing for some areas. Recent consultation on selective licensing in 29 areas (not borough wide). A report is expected in the summer. Approval not requested yet.
Harrow	Borough wide additional and three separate selective schemes for some areas
Havering	Additional licensing for some areas. Dropped plans for selective licensing in 2017.
Hillingdon	Additional licensing for some areas
Hounslow	Borough wide additional licensing
Islington	Additional licensing for some areas
K&C	No additional or selective licensing scheme
Kingston	Additional licensing
Lambeth	No additional or selective licensing scheme
Merton	No additional or selective licensing scheme
Newham	Near borough wide (excluding E20) additional and selective licensing. SoS approval granted in 2017.
Redbridge	Selective for 14 wards (not borough wide), SoS approval granted in 2017. Borough wide additional.
Richmond	No additional or selective licensing scheme
Southwark	Borough wide additional and selective for some areas
Sutton	No additional or selective licensing scheme
Tower Hamlets	Selective for some areas. Recent consultation for additional licensing to the rest of the borough
Waltham Forest	Borough wide selective licensing prior to 2015 changes. No additional
Wandsworth	No additional or selective licensing scheme
Westminster	No additional or selective licensing scheme

Appendix 2: Grid of the evidence used by other boroughs with near to borough-wide licensing and an assessment of Lewisham's data

		Newham	Brent	Redbridge	Haringey*	Lewisham
Size of the PRS	Census					
	Council tax - change to liable person					
	Council tax band A-C					
	Council tax benefit data					
	Housing benefit data					
	Electoral roll: frequent changes					
	Electoral roll: number of adults					
	Existing licenses					
	English Housing Survey					
	SHMA					
	Mayhew Harper study					
	GLA rents map					
ASB & Crime	Open source police data					
	MET Police data		Unsure	Unsure	Unsure	
	Council held ASB records					
	Council held noise records					
	Council held waste records (fly tipping, pest control, enforcement, graffiti,					
	Street cleansing tonnage					
Poor housing conditions	Disrepair cases					
	Cat 1 and 2 hazards					
	Complaints - dilapidation					
	Stock condition survey					
	Enforcement cases					
	DECC fuel poverty stats					
Migration	Annual population survey					
	NINO registrations					
	ONS					
	Commissioned studies					
	Census					
Deprivation	English Indices of Deprivation					
Others	Liveability Study					
	Landlord Survey					
	Long term empty property addresses					
	LLPG					
	Housing waiting list					
	Case studies					
	Right to buy - permission to rent					

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Housing Select Committee			
Title	Capital Letters – Collaborative Pan London Accommodation Procurement Initiative		
Key decision	Yes	Item no	5
Wards	All		
Contributors	Executive Director of Customer Services Head of Law		
Class	Part 1	18 th September 2018	

1. Purpose of report

- 1.1 The purpose of this report is to:
- summarise the details of a London Councils led proposal, working with the London boroughs, to establish a London wide procurement vehicle to deliver new supply of leased and private rented sector (PRS) accommodation for families who are homeless or threatened with homelessness.
 - seek comments from the Housing Select Committee on this proposal to incorporate into the report to Mayor & Cabinet.

2.0 Background

- 2.1 The numbers of homeless households in bed and breakfast/nightly paid accommodation continues to rise across the Capital. Housing pressures on low income households in London have never been higher and a more co-ordinated effort is required from Councils across London to source an improved supply of suitable, more secure accommodation to meet ever rising demand and reduce competition between boroughs.
- 2.2 London Housing Directors and London Councils have been working on a model which would enable better outcomes for families who are homeless or at risk of homelessness. The model being developed is Capital Letters. This report outlines the principles behind this model and supports Lewisham's early membership as an *A member*, alongside a number of other London boroughs. Details of the boroughs who have confirmed membership will be made available at Committee.
- 2.3 The establishment of Capital Letters is being supported by £38m grant from MHCLG, top sliced from the London boroughs Flexible Homelessness Support Grant. This grant will be available to support increased procurement of leased and PRS lettings and help alleviate the costs to boroughs of providing temporary accommodation. The grant will also support the set up costs of the company including staffing and IT costs. In addition to the grant the financing of this model is supported by access to 100% Local Housing Allowance (LHA) from the Department of Work and Pensions, which on average across London is approximately £35pw higher than the current rate Boroughs can access set at 90% of 2011 LHA levels. Access to these increased LHA levels and the grant will enable Capital Letters to work with providers to convert Self Contained Nightly Paid (SCNP) into leased

accommodation or PRS direct lettings. In both cases the Council will be able to discharge its duty as homeless families will be appropriately housed. Local Authorities cannot access 100% of the LHA for their leased accommodation that is procured and managed in house. Discussions continue on the potential contribution from the grant to the rent and management fee but in all options with access to 100% LHA the costs to the participating London boroughs are expected to be reduced.

- 2.4 Capital Letters is a joint endeavour between London boroughs to support more collaborative working to procure leased accommodation and move away from directly competing with each other which puts an upward pressure on rents. The main aim and benefit is for boroughs to move away from the use of B&B and Self-Contained Nightly Paid (SCNP) as the worst, most insecure and most expensive forms of temporary accommodation (TA) for homeless families. Moving customers from SCNP into a more stable leased home offering longer term tenancies and better and consistent standards of accommodation can only be a benefit to those families and provide improved outcomes for customers. It is also intended to offer a simpler and more straightforward interface for landlords, managing agents and developers operating anywhere in London who are able to provide properties for those families and other households most in need of accommodation. The aim is to provide TA accommodation for each borough that is closer to the home borough and avoid customer dissatisfaction and disruption from placements far away in other areas of London.
- 2.5 To be involved in this scheme at this stage would not put the Council at risk. Financial risks are limited as Capital Letters is a company owned by the London Boroughs and limited by guarantee. The Council would commit to work with Capital Letters to deliver a minimum of 50% of our leased and direct lets procurement requirements by seconding 50% of the negotiator staff to Capital Letters (either staff or funding) to procure properties, as they do now. These staff would need to retain strong links with the Council to maintain relationships with local landlords. The details of this arrangement will be worked through over the coming weeks with the Unions and Human Resources. There is also a 6 month break clause in the contract.
- 2.6 Capital Letters are also developing a future management service option for any new leased accommodation which can be accessed by paying a fee. Currently TA management is largely provided by Lewisham Homes following the transfer of services in September 2016. There are no plans to transfer management responsibility at this time to Capital Letters but this will be reviewed with Lewisham Homes as more details are made available, as the benefits of having services for customers delivered from one organisation are clear. In Lewisham however there would be an expectation that any provider who leased their accommodation through Capital Letters would provide services directly themselves with the possible exception of the rental collection.
- 2.7 Capital Letters will grow in phases. London Councils report that there are around 15 London Boroughs who are aiming to present reports to their Members for consideration before the end of December 2018 for membership in the first phase. It is planned that a second phase will follow one year later with the aim of including other boroughs in this second phase. There are also two types of membership - A and B. The distinction is noted in **Appendix A**. The majority of boroughs are reporting that they are looking for A membership because of the advantages of grant access and Board and decision making powers.

- 2.8 Properties are expected to be a mixture of Private Rented Sector properties let by the property owner to households nominated by the boroughs, and properties leased directly from landlords or from managing agents. The majority of accommodation will be settled accommodation to prevent homelessness or end a homelessness duty, and the intention is to achieve a significant reduction in the use of Temporary Accommodation by the London Boroughs, who may also transfer properties currently leased as temporary accommodation to Capital Letters to let as settled private rented sector accommodation.
- 2.9 Capital Letters will be established as a Company Limited by Guarantee, wholly owned by the member boroughs.
- 2.10 Initially staff will be seconded by the boroughs to Capital Letters. By the end of the third year of operation it is envisaged that Capital Letters will have a staff complement of around 270 officers and an annual income of £238m. The aim is to deliver all London borough temporary accommodation through this organisation, which will be a very different organisation that the initial model. By this stage it will have secured almost 20,000 additional properties to help prevent and tackle homelessness, and will have an estimated 13,000 properties either fully or partially under its management.

3.0 Policy context

- 3.1 The contents of this report are consistent with the Council's policy priorities:
- Decent homes for all - Investment in social and affordable housing, improve housing conditions and tackle homelessness.
- It will also help meet the Council's Housing Strategy 2015-2020 in which the Council commits to the following key objectives:
- Helping residents at times of severe and urgent housing need
 - Building the homes our residents need
 - Greater security and quality for private renters
 - Promoting health and wellbeing by improving our residents' homes
- 3.2 Lewisham's Housing Strategy also contains the provision to put in place the framework for the Council to use the private rented sector to house homeless families, so as to increase the supply of properties available to the Council to manage the rising number of homeless households in temporary accommodation.
- 3.3 On 25th March 2015, Mayor and Cabinet resolved that officers should use the existing power to discharge the Council's homelessness duty into the private rented sector, pending the development of a policy setting out exclusions, and establishing operating protocols to allow staff to successfully implement the policy. Since March 2015, local pressures regarding supply and affordability of accommodation have become more acute. Furthermore, the Council approved the Location Priority Policy, summarised below.
- 3.4 On 11th November 2015, Mayor and Cabinet approved a Location Priority Policy which sets out how the Council will allocate individual homeless households to the supply of temporary accommodation available to the Council, including temporary accommodation located out of the borough. It also approved a Temporary Accommodation Procurement Strategy which sets out how the Council intends to procure sufficient temporary accommodation to meet demand. The Locational Priority Policy was

developed to ensure the Council discharged its duty to ensure that so far as is reasonably practicable it secures that accommodation is available for the occupation of the relevant homeless applicant in the Borough, and in light of the Supreme Court decision in *Nzolameso v Westminster CC* [2015] UKSC 22.

4.0 RECOMMENDATIONS

4.1 The Housing Select Committee is asked to:

- a. Note the £38 million proposed over three years by MHCLG specifically for pan-London collaboration on the procurement of accommodation for homeless households
- b. Comment on this report in advance of a report which is proposed to go to Mayor & Cabinet in on the proposal for the Council to join Capital Letters London Ltd as an A Member
- c. Note the further work that will be required to develop the proposal in advance of the report to Mayor & Cabinet, including the further work required on financial modelling
- d. Note that it is proposed to appoint the Private Sector Housing Agency Manager (Madeleine Jeffery) as the Council's initial representative who will have the right on behalf of the Member to attend meetings of the Company, to vote and to exercise all rights of Membership on behalf of the Council.

5.0 BACKGROUND

5.1 The estimated aggregate financial benefit of the proposals to London Boroughs are up to £116m, plus potential savings on changing how placements are made and reduced repeat homelessness through tenancy sustainment. It will also build on the effective work through the Inter Borough Accommodation Agreement (IBAA) which has led to reduced spending through rate sharing and the application of a cap on rates paid for certain accommodation. Capital Letters will work within this system, and provide further opportunities to rationalise and secure efficiencies in the procurement of accommodation for homeless households.

5.2 It is proposed that Capital Letters will be set up according to the timescale set out in the table in **Appendix B** in a number of phases, so that not all Boroughs are required to join at first. It is proposed that Lewisham joins as an *A member*. There are a number of reasons why it would be advantageous for the Council to be part of the first wave of boroughs which are anticipated to start operations in April 2019:

- 5.2.1 The MHCLG subsidy per borough will be greater in the first year. This is important because it should provide a greater uplift to procurement numbers for the boroughs in the first wave. The MHCLG subsidy per property will also be greater in the first year.
- 5.2.2 Boroughs joining in the first year will receive an additional year's subsidy from MHCLG.

- 5.2.3 The boroughs involved in the set-up of the company will have much more control over the way it is organised and shaped than Boroughs who join later after the organisation has been established. Lewisham are currently represented on the steering, working and ICT procurement groups.
- 5.2.4 Boroughs who do not join Capital Letters will still have properties procured by Capital Letters in their area. Although Capital Letters will abide by the agreed IBAA rates, there is nevertheless a significant risk that landlords and agents will prefer to work with Capital Letters than within individual boroughs because of the profile it will have when launched, and because of the more streamlined ability to let properties across London with one organisation than with a number of different boroughs, all with slightly different terms and conditions and different personnel.
- 5.2.5 It will be possible for the Council to secure more PRS and leased properties within the borough or close to Lewisham through Capital Letters as the open competition between boroughs will reduce as CL will allocate properties in part by the location of the property, thus reducing the need to place families in B&B and hotel annexes, in distant areas of London or outside London altogether. It would be better to secure these benefits sooner rather than later.
- 5.2.6 By accessing 100% of Local Housing Allowance Rates and a top up contribution from the MHCLG funding pot of £38M, the aim will be to convert all of the self- contained nightly paid accommodation (SCNP) used by the Council to leased accommodation and then transferred over to Capital Letters. This will support the Council's aim to get out of SCNP, will provide longer security of tenure for the customers and will enable the Council to discharge duty where appropriate so customers can get on with their lives and not have to focus on their homelessness. The grant is also envisaged to be used to support incentives payments for resettling customers directly into the PRS. A possible contribution of 50% is being considered.

6. ALTERNATIVE OPTIONS

- 6.1 There is the option not to join Capital Letters in the first phase. This would result in a lost opportunity to access MHCLG grant funding in the first year that would support the better management of costs of providing TA, increase the procurement of leased TA and move away from expensive nightly paid TA and to enable the placement of households closer to home.
- 6.2 The Council could alternatively join the company as a *B member*. This would still enable the Council to receive services from Capital Letters but would mean that the Council has less influence over the strategic direction of the company. It also means that the Council would not have access to MHCLG subsidy for newly procured properties. The distinction between A and B membership is noted in the Articles of Association, with the relevant section copied below in **Appendix A**.
- 6.3 Should the Council join the scheme as an *A member*, this would mean that at least 50% of the Council's procurement activity for accommodation for homeless households would have to be undertaken by Capital Letters (excluding nightly paid and out of London properties which would remain with the Boroughs). This will be delivered by the secondment of 50% of the current procurement staff to Capital Letters who are working currently in the Council

delivering properties to meet this existing need for temporary accommodation. This still allows the Council to retain enough staff to undertake procurement to meet all needs – especially around emergency accommodation – which will still be required to meet the demand from households that present to Housing Needs. The procurement team has flexibility to move and change resources as need requires. More detail is set out in Section 7 of this report.

7. Lewisham homeless update and how this proposal fits within Lewisham:

7.1 There is an increasing burden on boroughs to source accommodation for the growing numbers of homeless families, especially in London. In March 2018 there were over 79,000 households in TA nationally, an increase of 65 per cent since March 2011. Of this number 54,500 were in London (seven out of ten households) and of those 2,000 households are in Lewisham. Shelter research suggests over 300,000 actual individuals are homeless (1 in 200 people in the UK) with a 42% decrease in available social lets since 2010/11.

7.2 The cost of providing TA in London in 2015/16 (£845 million) accounted for more than three quarters of the total cost of providing homelessness services nationally (£1.15 billion).

7.3 Currently Lewisham Council have circa 2000 households in temporary accommodation housed as below:-

B&B – shared accommodation	137
Self – Contained Nightly Paid Accommodation	456
LBL Hostel Accommodation	352
Leased (PSL) and Managed Accommodation (PMA)	724
LBL Stock (Place Ladywell & Lewisham Homes Acquisitions)	187
RP TA Stock (HALs – Notting Hill, L &Q, Phoenix)	144

7.4 The current procurement team consists of 3 x Negotiators within the Property & Business Accounts Service of the Private Sector Housing Agency (PSHA). This team is responsible for procuring emergency, temporary and leased and direct let PRS accommodation for housing and Children’s services, No Recourse to Public Funds (NRTPFs), and Intentionally Homeless clients.

7.5 To qualify as an *A Member* a minimum of 50% of our leased and direct let accommodation needs be procured through Capital Letters (not B&B or SCNP accommodation). During 2017/18 Lewisham’s procurement team delivered a total of 354 properties, of which 215 were leased and managed and 139 were direct let for prevention and or discharge of duty into the PRS. The expectation therefore is that around 177 properties (50% of the previous year) for 2018/19 will be procured through Capital Letters. To deliver this commitment participating boroughs will second staff from their existing procurement teams performing this function for Capital Letters. As CL would be committed to delivering 50% of the procurement needs of the borough as a minimum at the initial stage, it is agreed that 50% of the procurement staff would be transferred. For the Council this would be 1.5 staff or their equivalent staffing budgets. This will allow the existing skills, expertise, local knowledge and client relationships held by those officers to be absorbed into Capital Letters. Even with the transfer of 1.5 staff there is sufficient resource

left within Lewisham to ensure continuity of service is maintained and that service delivery is not compromised. The activity of seconded staff continuing with the procurement activities they were previously undertaking for their Borough will be supplemented by approximately 20 additional staff employed directly by Capital Letters.

7.6 Boroughs will be allocated at least as many properties over the first year as were procured by the staff it seconds in the previous year. Any additional properties would be allocated to the participant boroughs in proportion to the staff resources they have contributed through secondment or funding of staff recruited directly by Capital Letters. Subject to meeting borough minimum allocations, and fair distribution of additional properties, all properties should be allocated as close to host boroughs as possible, also taking in to account the provisions of the homelessness suitability order as they apply to individual households. This should mean that a much smaller number of households have to move a long distance from their home borough than is currently the case.

7.7 The financial modelling is currently under discussion with Capital Letters and will be firmed up in the near future. In all scenarios it is considered that the Council would be in a better financial position in the short term whilst the grant is available. The main components which contribute to the level of bottom line saving relate to:

- how much of the MHCLG grant could be available to support the actual lease rent;
- how many providers/properties out of the current 456 SCNP would agree to convert to a leased product. 271 of these properties are In Borough. Conversion of the Out of Borough properties may be more problematic depending on the rent and management fee rate agreed by the individual Boroughs ;
- what future management arrangements would be in place – either management by Lewisham Homes or by Capital Letters – as the costs vary in the proposals.

There are detailed financial workings that are being undertaken by officers with the finance team but in all scenarios there is considered to be a saving to the Council. However until the variances above are determined then exact savings figures cannot be confirmed. These are considered in more detail in Section 8 below. More information on this will therefore need to be contained in the subsequent report to Mayor & Cabinet.

7.8 In recognition of the challenges faced by London boroughs in particular, MHCLG are looking at all available options to directly impact on reducing the numbers of homeless households and so are proposing to allocate the £38 million grant over three years, top sliced from the Flexible Homeless Support Grant (FHSG).

7.9 Capital Letters will be funded by a combination of MHCLG grant, rents from tenants and top up payments from member local authorities. These are the payments that are already made by local authorities, for example through Discretionary Housing Payments (DHP) or other existing budgets when Local Housing Allowance (LHA) rates do not cover full rent. They will be made lower for local authorities as a result of the MHCLG subsidy.

7.10 Capital Letters will be established as a private company limited by guarantee, owned and managed by the boroughs who constitute limited liability members of the company. The liability of each member is limited to £1. It will also be

Teckal compliant, meaning Lewisham or any other Local Authority that is part of Capital Letters will not be required to undertake a separate competitive tendering exercise.

- 7.11** The activity of Capital Letters will be supported by a digital Property Listing Platform (PLP). A specification for this IT system has been developed by London Ventures, in consultation with the Capital Letters working group. Soft market testing has identified a number of providers who would be able to develop a product which meets the specification requirements. Initially the LB of Ealing are leading on the procurement of this PLP on behalf of the company, funded by grant from MHCLG.
- 7.12** The timescale for programme delivery assumes the new company is established early in the 2019/20 financial year. It is envisaged that there will be two phases with the second phase being rolled out in April 2020. It is proposed that the Council works with London Councils and other London Boroughs to join the company as an **A member** in the first phase so that the Borough may benefit from the services provided by the collaborative enterprise to supply new non-emergency accommodation for homeless households and accesses available grant.

8. Financial Implications

- 8.1** Under current regulations, the Council is limited in the amount of housing benefit that can be claimed for temporary accommodation to a rate of 90% of the January 2011 LHA for the particular bed-size.
- 8.2** The Capital Letters scheme proposes that London Boroughs procure their temporary accommodation requirements through an independent but wholly owned company. This company will pay landlords at current LHA rates + £60pw and, as an independent organisation will be able to attract 100% of the current LHA rates as housing benefit.
- 8.3** The £60 element will be funded via a combination of £30 MHCLG grant and a £30 top-up from local authorities once the authority becomes a member of the Capital Lettings Scheme. This applies only to newly leased units procured under the scheme and does not cover nightly paid accommodation and or existing leased units. The financial arrangements remain under discussion.
- 8.4** The current proposal in this report is to become an *A member* and move away from the use of B&B and self-contained nightly paid accommodation, converting them into leased accommodation or PRS direct lettings. It is not currently proposed to transfer existing leased accommodation (PSL/PMA) at this stage due to the competitive rates currently negotiated for these schemes.
- 8.5** The current overall budget for nightly paid accommodation which encompasses both shared and self-contained accommodation is £2.8m
- 8.6** At the end of May 2018, there were 456 families in self-contained accommodation of which 271 were accommodated in-borough. Accommodation is currently procured by the private sector housing agency procurement team, with on-going day to day tenancy management undertaken by Lewisham Homes via a management fee for that purpose.
- 8.7** The table below provides an analysis of the current full year costs and income for the 456 current self-contained nightly paid units used for homeless families, and provides a comparison with the Capital Letters scheme both

internally managed (by Lewisham Homes) and externally managed (by Capital Letters). Of the 456 units, 271 units are in use in-borough.

Analysis of 456 Units	Current Position	CL Scheme (Internal management)	CL Scheme (External Management)
Payments to Landlords	£8.7m	£7.4m	£7.4m
Rental Income (HB)	-£8.7m*	-£6.0m	-£6.0m
Rental Shortfall	£0.0m	£1.4m	£1.4m
Management Costs	£0.3m	£0.3m	£0.7m
HB Limitation Recharge	£2.7m*	-	-
Rent top-up to CL	-	£1.4m	£1.4m
Total Cost to LBL	£3.0m	£1.7m	£2.1m
Budget	£2.3m	£2.3m	£2.3m
Net Cost/(Savings)	£0.7m	-£0.6m	-£0.2m
Cost/(Savings) related to the 271 units in-borough	£0.3m	-£0.4m	-£0.1m

*Currently HB is received in full onto an LBL rent account. However, as this is in excess of the rate claimable @ 90% of the January 2011 LHA rate a recharge is applied to recover the overpaid amount.

The conversion of the accommodation from nightly paid to leased will be phased.

- 8.8 Analysis shows that a cost reduction of £0.9m (current net cost plus actual savings above), and a minimum full year saving of £0.2m (against budget) could be achieved by negotiating with landlords to turn the current nightly paid agreements into leased accommodation and transferring the units into the Capital Lettings scheme.
- 8.9 The exact cost reduction and savings would be dependent on how many units were transferred and the timescale involved in negotiating and effecting the change.

9. Legal Implications

- 9.1 The Council is considering participating in a London Wide procurement vehicle to deliver new supply of leased and private rented sector (PRS) accommodation for families who are homeless or threatened with homelessness. The report sets out the reasons for and implications of the proposal and seeks comments from the Housing Select Committee which will inform a report to Mayor and Cabinet in November.
- 9.2 The Council has a wide general power of competence to do anything that individuals generally may do (Section 1 of the Localism Act 2011). The Council can rely on this power to carry out housing development, to act in an “enabling” manner in relation to the provision of new affordable housing. Further, the Council can undertake activities that are either economically, socially or environmentally beneficial for the authority and residents (Local Government Act 2000). Finally, the Council has a duty to obtain best value in

the procurement of works, services and supplies and to secure continuous improvement in the way functions are carried out, having regard to a combination of economy, efficiency and effectiveness (Local Government Act 2003).

- 9.3 The Council has a statutory homelessness duty which this proposal is intended to support. The Council must be satisfied that this proposal will enable it to continue to meet its statutory duty and that the risks and benefits have been properly considered and weighed up.
- 9.4 General decision making principles require consideration of all relevant matters, including financial impacts.
- 9.5 Detailed legal implications will be set out in the subsequent report to Mayor & Cabinet. These will need to include state aid, procurement and employment implications.
- 9.6 The Council must comply with the public sector equality duty (the equality duty or the duty, see Equality Act 2010 - the Act). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.7 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 9.8 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 7.6 above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. The Mayor must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 9.9 Guidance from the Equality and Human Rights Commission (to which the Council must have regard) includes information which deals particularly with the equality duty, and 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.

10 Best Value (BV) Implications

- 10.1 This programme is intended to enable Boroughs to access an improved supply of good quality accommodation to prevent and relieve homelessness

and where necessary for use as temporary accommodation. A cost benefit analysis has been conducted on a London-wide basis and identified four principal areas of savings. These are: more stable tenancies, improved productivity, co-ordination benefits (pricing) and reduced TA spending. If this proposal is agreed, the savings achieved will be monitored and reported to Members as part of the overall Homelessness budget position.

For more information please contact Madeleine Jeffery at madeleine.jeffery@lewisham.gov.uk

Appendices

Appendix A, extract from Articles of Association

Admission of Members and cessation of Membership:

The Members of the Company shall be divided into "A" Members and "B" Members. "A" Members and "B" Members will have the rights as specified in these Articles.

The subscribers shall be the first Members of the Company and shall be designated as "A" Members.

The Members may admit any other Public Body to Membership on receiving:

- A written application confirming that it agrees to be bound by the provisions of the Articles; and where a Members' Agreement has been entered into, a signed deed of adherence to the Members' Agreement from any such body.

A Member admitted under article 12.3 above shall be designated as an "A" Member or a "B" Member by the "A" Members upon admission.

A Public Body shall only be admitted as an "A" Member if they agree to ensure that at least 50% of the total procurement for that body of dwellings to support the discharge of that body's statutory responsibilities for homeless households or those at risk of homelessness (excluding nightly paid properties or properties outside of the London area) is to be procured by the Company.

A Public Body admitted to Membership who does not agree as per article 12.5 but will receive services from the Company will be admitted as a "B" Member.

The rights powers and obligations of each Member under these Articles shall take effect on the admission of that organisation to Membership.

Each Member shall nominate a person to act as its representative in the manner provided in Section 323 of the Act. Such representative shall have the right on behalf of the Member to attend meetings of the Company and vote thereat and to exercise all rights of Membership on behalf of the Member. The relevant Member may by written notice to the Company revoke the nomination of such representative and may nominate another representative in his place.

The rights of each Member shall be personal and shall not be transferable and shall be exercisable only by the Member or its Voting Representative.

Membership shall not be transferrable.

An "A" Member shall cease to be a Member of the Company if (i) it serves no less than six months' written notice to do so or (ii) is removed or expelled for

any reason by ordinary resolution of the Members passed at a General Meeting or under any agreement entered into between the Members from time to time and (iii) if at any time the Member ceases to be a Public Body or (iv) otherwise in connection with these Articles and the noting of the cessation of Membership in the Company's register of Members shall be conclusive in this regard

A "B" Member shall cease to be a Member of the Company if (i) it serves no less than six months' written notice to do so or (ii) is removed or expelled for any reason by ordinary resolution of the Members passed at a General Meeting or under any agreement entered into between the Members from time to time and (iii) if at any time the Member ceases to be a Public Body or (iv) otherwise in connection with these Articles and the noting of the cessation of Membership in the Company's register of Members shall be conclusive in this regard.

At the end of each financial year, the "A" Members shall each confirm to the Company (in a form that shall be agreed by the "A" Members from time to time) the percentage of its total procurement for that "A" Member of dwellings to support the discharge of its statutory responsibilities for homeless households or those at risk of homelessness (excluding nightly paid properties or properties outside of the London area) that was undertaken via the Company that financial year. In the event that this percentage is less than 50% the "A" Members have, at their discretion, the ability to terminate the "A" Member's Membership in accordance with article 12.14.

The decision to terminate an "A" Member's Membership in accordance with article 12.13 shall be taken at a meeting of the "A" Members (i) called on no less than 7 clear days' notice; (ii) attended in person or by proxy by at least 50% of the "A" Members (excluding the "A" Member whose Membership is being considered for termination); and (iii) made by no less than 50% of the total "A" Members excluding the "A" Member whose membership is being considered for termination.

In the event that an "A" Member's Membership is terminated pursuant to article 12.14 the Membership shall terminate immediately upon the decision having been taken.

In the event that an "A" Member's Membership is terminated in accordance with article 12.12 that Member may be re-admitted to the Membership of the Company as a "B" Member, subject to compliance with article 12.3 and 12.6.

11 Appendix B Timetable

Date	Milestone
June 2018	<p>Collaborative Procurement Group signs off Capital Letters documentation.</p> <p>Potential first phase (year 1) boroughs identify themselves and begin internal approval processes (8 boroughs minimum required in first year).</p>
July 2018	Borough Cabinet Papers drafted and submitted
September 2018	<p>Shadow Capital letters Directors Group meets</p> <p>Business case to be presented to London Councils' Chief Executives London Committee</p> <p>Procurement of IT system begins with OJEU Notice</p>
October 2018	<p>Capital Letters Incorporated as an organisation</p> <p>Business case to be presented to London Councils Leaders' Committee</p> <p>Cabinet Approval with first phase boroughs received</p> <p>Commence discussions with boroughs re possible resource including secondments</p> <p>Recruitment of CEO and key leadership team begins</p>
April 2019	Formal launch of Capital Letters

12Appendix C – Allocations

Allocations

The method by means of which properties procured by Capital Letters will be allocated to individual boroughs are set out in more detail in the Capital Letters Allocations policy. The main principles are:

Principle 1.

The number of properties (excluding HMOs and studios) procured for each borough over the previous year using the resources and contracts transferred into Capital Letters would set a minimum limit for allocation of properties to that borough. This should guarantee that (unless market conditions have markedly worsened) each borough will get at least as many properties over the first year as were procured by the staff it seconds in the previous year. Studios and HMOs will not be counted in these minimum allocations, but will be allocated separately according to location and borough need.

Principle 2.

It is expected that significantly more properties than this will be procured in practice, due to staff working collaboratively and because of the additional procurement resources available to Capital Letters. Properties procured above those numbers would go to the participant boroughs according in proportion to the staff resources they have contributed through secondment or funding of staff recruited directly by Capital Letters.

Principle 3.

Boroughs will be able to specify the proportion of each type (PRS, PSL etc.) and size of property that they want, as well as making requests to meet urgent needs for specific property types as they arise. These expressed preferences will guide the Capital Letters procurement strategy, and as much as possible they will be met, bearing in mind that some sizes and types of property are harder to obtain than others.

Principle 4.

Subject to meeting borough minimum allocations, and fair distribution of additional properties, all properties should be allocated as close to host boroughs as possible, also taking in to account the provisions of the homelessness suitability order as they apply to individual households. This should mean that a much smaller number of households have to move a long distance from their home borough than is currently the case.

Principle 5.

Any additional properties procured beyond the needs of the participating boroughs may be offered to non-participant boroughs.

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Housing Select Committee			
Title	Building Council Homes for Londoners: Lewisham funding bid		
Key decision	Yes	Item no	7
Wards	All		
Contributors	Executive Director for Customer Services, Executive Director for Resources & Regeneration, Head of Law		
Class	Part 1	18 September 2018	

1. Recommendations for Housing Select Committee Members

1.1. This report presents Housing Select Committee members a with a copy of the report due to be considered by Mayor and Cabinet on the 20th September 2018, entitled "Building Council Homes for Londoners: Lewisham funding bid"

1.2 A copy of this report can be found from point 2 below.

1.3 Officers recommend that Housing Select Committee members:

- Note the content of the report; and

- Provide comments on the report, to be tabled at the Mayor and Cabinet meeting on the 20th September 2018

Report due to be considered at Mayor and Cabinet on 20th September 2018

2. Purpose of report

2.1 The purpose of this report is to set out the parameters of the grant funding and additional HRA (housing revenue account) borrowing bids which the Council intends to submit to the Greater London Authority (GLA) in order to deliver a total of 782 new homes to significantly contribute to the Council commitment of building 1,000 new Council homes.

3 Summary

3.1 London faces one of the most significant housing shortages since the end of the Second World War. Over the last ten years, social housing lets have halved and the numbers of households in Temporary accommodation has increased significantly in both London and Lewisham. Lewisham Council acknowledges the challenges faced by our residents and is committed to tackling those with the greatest housing need.

3.2 In July 2012 the Council embarked on a programme to build 500 new Council homes in response to a series of on-going housing policy and delivery challenges, most notably an enduring under-supply of new affordable homes available to the Council to meet housing demand.

3.3 The commitment to build an additional 1,000 Council homes is challenging given the significant lack of investment in social housing by central government in recent years. Many local Councils have long been emphasising the need for investment in the sector and the removal of arbitrary HRA borrowing restrictions to enable them to build much needed Council homes again.

3.4 There has recently been a step change in housing policy and mechanisms have now been put in place to enable Councils to build. The Government has recently facilitated £1bn of additional HRA borrowing headroom for England. Half of this allocation has been ring-fenced to London.

3.5 In addition, the Mayor of London has secured funding for the provision of new Council homes in London. He published his grant funding prospectus 'Building Council Homes for Londoners' in May 2018. Due to our reputation as an ambitious Council, officers at Lewisham were heavily involved with the GLA in setting up the bid programme and drafting the prospectus. Lewisham's Mayor joined the Mayor of London to launch the programme in May and in doing so confirmed Lewisham's intention to partner with the GLA to build new Council homes in the borough.

3.6 Councils are encouraged to bid for Affordable Housing Grant funding to build new Council homes, with rents set at social rent levels, or London Affordable Rent. The programme intends to support delivery of 10,000 new Council housing starts in London by March 2022, with an emphasis on early delivery.

3.7 The bid deadline for both the additional HRA borrowing and the grant funding programme is 30th September 2018. The detail of the HRA programme was launched in July 2018, which has meant a very short lead in time to prepare the bids and reports for approval.

3.8 Given the short lead in time to prepare these papers in order to obtain Mayor and Cabinet approval in advance of submitting the bid, it is possible that changes to those presented here may be identified in the intervening period, either in the form of the amount of funding and borrowing requested, or changes to the details of specific schemes or the total number of units to be delivered. Given this, delegated authority is therefore requested for the Executive Director for Customer Services, subject to the approval of the Executive Director for Resources and Regeneration, to agree the final bid submission to enable a comprehensive and fully accurate bid to be submitted in advance of the bid deadline of 30th September.

3.9 The Council intends to bid for in the region of £108.9m, comprising £57.5m grant funding and £51.4m of additional HRA borrowing.

4 Recommendations

It is recommended that Mayor and Cabinet:

4.1 approve the Council's intention to bid for in the region of £51.4m additional HRA borrowing;

4.2 approve the Council's intention to bid for in the region of £57.5m grant funding from the GLA;

4.3 delegate authority to the Executive Director for Customer Services to sign off the final bid submission, subject to the approval of the Executive Director for Resources and Regeneration; and

4.4 agree that the Council is willing in principle to participate in the GLA ring fencing offer for Right to Buy receipts, subject to further details of the arrangements being provided by the GLA and note that this will be the subject of a separate report to Mayor and Cabinet once those details are available

5 Policy context

5.1 The contents of this report are consistent with the Council's policy framework. It supports the achievements of the Sustainable Community Strategy policy objectives:

- **Ambitious and achieving:** where people are inspired and supported to fulfil their potential.
- **Empowered and responsible:** where people can be actively involved in their local area and contribute to tolerant, caring and supportive local communities.
- **Healthy, active and enjoyable:** where people can actively participate in maintaining and improving their health and well-being, supported by high quality health and care services, leisure, culture and recreational activities.

5.2 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.

5.3 It will also help meet the Council's Housing Strategy 2015-2020 in which the Council commits to the following key objectives:

- Helping residents at times of severe and urgent housing need
- Building the homes our residents need
- Greater security and quality for private renters
- Promoting health and wellbeing by improving our residents' homes

6 Lewisham's programme

6.1 Lewisham has a strong track record of building Council homes. In recent years, the Council has:

- Met the requirements of the 500 Council home programme, which will provide 500 new council homes, the first to be built in a generation. 91 homes have been built, 112 are on site and 298 are awaiting start on site
- Worked in partnership with L&Q, who are investing over £50, to replace 178 prefabricated bungalows on the Excalibur estate with 152 new homes of all tenures, including 73 at rents very near to social rent
- Worked in partnership with Family Mosaic, who are investing over £350m to replace 565 (including 111 leasehold) homes at Heathside and Lethbridge estate with 1,225 homes of all tenures, including 469 at rents very near to social rent
- Developed PLACE/Ladywell, an innovative award winning development using Modern Methods of Construction, to improve the temporary accommodation offer, providing 24 two-bedroom properties for homeless families

6.2 The Council intends to bid for in the region of £57.5m grant funding and £51m of additional HRA borrowing.

6.3 Both the grant funding and additional HRA borrowing bids must be submitted on the GLA's Open Project System (OPS). The GLA will take decisions on allocation of Affordable Homes Grant, and will administer the HRA bids on behalf of the Government.

6.4 The Building Council Homes for Londoners (BCHfL) programme is designed to enable Councils to build more homes directly without the need for private sector partners. This, it is hoped, will lead to a significant increase in affordable homes.

6.5 BCHfL will significantly increase the amount of grant available to local authorities. The grant rate is £100,000 per unit for social rent properties with rents set below or at London Affordable Rent levels.

6.6 For shared ownership or London Living Rent homes, £38,000 per home is available for homes that start in 2018-19 or 2019-20. If homes start in 2020-21 or 2021-22, they will only receive £28,000 per home.

6.7 Under the Programme Approach, councils will need to commit to delivering a headline number of affordable homes broken down by tenure across a portfolio of sites in exchange for an allocation of affordable housing grant. However, for the HRA bid to government, more project level information will be required. Councils must also confirm:

- projects are not expected to receive other Government subsidy aside from affordable housing grant

- The Council's Chief Finance Officer has signed off and certified the bid, and the additional borrowing is affordable and will not displace other sources of available funding
- The HRA borrowing headroom (using the most recent data that is available) has been set out and the extent to which any such headroom is earmarked for other projects is included in the 30-year Business Plan.

6.8 Councils will have flexibility to manage the delivery profile of homes across this portfolio and additional discretion to substitute sites into, and out of, their portfolio.

6.9 The GLA will pay 50 per cent of grant for projects at start on site stage and 50 per cent on completion. They will also require councils to make returns about the actual costs incurred for both public accountability and State Aid compliance and will be subject to audit.

6.10 The pipeline for Lewisham's delivery programme comprises:

- the known sites within the 'New Homes, Better Places' portfolio and
- a list of unconfirmed development opportunities following close collaboration with Lewisham Homes with potential to deliver homes towards the 1,000 target.

6.11 The programme of units to be built using the BCHfL funding has been split into these two sources above. The overall approach is to have a "programme mobilisation phase" until spring 2019. The objective is to formally launch the full programme with confident delivery dates and reliable budget estimates, alongside a fully functioning governance and oversight structure to support delivery by March 2019. At this point the programme will be presented to Mayor and Cabinet for approval.

Known sites

6.12 The proposed bid, based on known sites to date is made up of 25 sites and 343 units to be built primarily on HRA land, with some General Fund sites. Funding for these units would normally have come forward from the GLA via their Affordable Homes Programme or, in the case of our modular schemes (Mayfield, Kenton Court, Home Park and Edward Street) via an Innovation Fund bid. All of these schemes are now included in the BCHfL bid.

6.13 The majority of these sites have planning permission and procurement of contractors is due to commence this month with the Council's delivery partner, Lewisham Homes taking the lead. Therefore, we can provide detailed project information to support these bids. This is essential to demonstrate that the Council is a credible provider of new council homes.

Unconfirmed opportunities

6.14 It is noteworthy that the bid to the GLA covers a 4 year period and whilst certainty and deliverability is essential, some flexibility around the pipeline of sites is anticipated by the bids. At present, 439 new homes will be included in this bid. These opportunities have be subject to initial feasibility and financial viability but in many cases, are not *live* sites as they are programmed to start much later in the 4 year delivery window. Due to the number of variables, this figure might increase or decrease and officers are working

to ensure the pipeline provides a sufficient level of contingency to ensure that the 439 units is the minimum number of new units to come forward.

- 6.15 As noted in paragraph 5.11 above, full details of the programme of sites will be finalised in March 2019 and will be shared with Mayor and Cabinet around this time for approval.
- 6.16 The flexibility around the programme does present both operational and financial risk to the programme. Whilst we are only targeting sites similar to those that have been utilised before (old garages and drying yards, infills, underused car parks), we need to consider looking at larger transformational opportunities such as Achilles Street.
- 6.17 GLA policy requires ballots on estate regeneration schemes. This was also a commitment given by Lewisham's Mayor in his Manifesto. This is welcomed as it gives residents and tenants a greater voice in how they shape their communities. However, it presents external risk to the programme and thus, funding that is sought for sites requiring a ballot may not be utilised if a ballot fails.

Right to Buy receipts

- 6.18 The final part of the BCHfL prospectus covers the use of Right to Buy Receipts. These funds come into the council following the sale of homes in the borough to tenants through the Right to Buy. Per government guidance, Right to Buy receipts can only contribute towards 30% of the total cost of the additional affordable rent units (as the rest are grant funded by other means).
- 6.19 The Council receives around £8m per year in RTB receipts for Replacement Homes (known as 1-4-1 receipts) for investment in new units. The "receipts pooling return" is used by government to estimate the amount of receipts that can be retained, as well as the total expenditure that should have been incurred in delivering new supply at the date of the return. If not enough total expenditure is incurred within three years of retaining the said receipt, the receipt(s) becomes repayable to central government with interest charged at 4%.
- 6.20 Measuring total expenditure to date in this way does not provide any flexibility and does not take into account delays that may incur in delivering new build schemes. In the past, the Council has been close to repaying funds to government. This will occur if total expenditure at the date of the return is not enough. Repayment of the receipts to government will then be required, even if the total estimated costs of delivery exceeds the total spend requirement overall. The opportunity for a third party to ringfence these funds on behalf of the Council would be extremely beneficial.
- 6.21 As well as eliminating the risk of surrendering receipts, the GLA ring fencing offer extinguishes some of the restrictions around the percentages that can be used to fund construction and also allows RTB receipts to be pooled with additional funding sources. This would not be possible if funded directly by the Council due to restrictions linked to the status of the local authority which do not apply to the GLA.
- 6.22 On this basis, it is thought that participating in the ring-fence offer is a sensible approach, however, full details of how the proposals will work are not available at this time. It would be sensible to indicate a willingness to participate in the offer at the point

of bidding, however, it is proposed that any final arrangements will not be made until further detail is available from the GLA. At that time, a further Mayor and Cabinet report will be presented, setting out the exact arrangements for approval.

6.23 Prior to the launch of the Building Council Homes for Londoners programme and the availability to return RTB receipts to the GLA, the Council had intended to use RTB receipts equivalent to 30% of the project value as the subsidy. If this funding bid is successful and the terms of the RTB ring fence offer are agreeable, then we will replace the RTB receipts with £100,000 of GLA grant for each unit, as the two subsidy sources cannot be combined. The RTB receipts will then be passported to the GLA for the Council to use at a later point in line with its priorities.

Assumptions used in the model

6.24 The outputs from the modelling are underpinned by the following assumptions (TABLE 1)

TABLE1 – GLA GRANT BID ASSUMPTIONS

Category	Assumption	Value
Investment	Payback	40 Years
Investment	Interest rate	2.74%
Economic	Inflation : CPI	2.00%
Economic	Rent Inflation	3.0% (10 years)
Construction	Build Costs (estimate)	£3,000 per M2 + 13% oncosts
Construction	Build Costs (actual)	Tendered Costs
Operating	Rents : HRA	London Affordable Rents
Operating	Rents : General Fund	Local Housing Allowance
Operating	Rent Loss	3.00%
Operating	Management Allowance (per unit)	£510
Operating	Maintenance Allowance (per unit)	£500
Operating	Capital Works	£1,250 (from year 5)

6.25 In order to ensure the maximum possible number of Council homes are delivered, the Council's proposals do not include building homes for private sale. This approach significantly reduces the risk to the Council, by avoiding the need to achieve a specific amount of cross subsidy from the sales receipts. Instead, it is estimated, the Council will require £142.825 million of cross subsidy (HRA and General Fund) to augment the GLA grant and RTB funding.

6.26 This bid puts the Council in a position to fund the social housing elements of its programme. However on large sites and estate redevelopment projects it is assumed that the non-social housing elements will be both commercial viable in their own accord and that a funding and delivery strategy is put in place to deliver them. This work needs to take place as soon as possible as part of the programme mobilisation phase.

7 Financial implications

- 7.1 The Council's current 30 year financial model for the Housing Revenue Account (HRA) already includes provision for the original 500 new homes target, for social rent purposes.
- 7.2 The new social homes and temporary accommodation units which form part of the new 1,000 homes target will be funded from a combination of HRA and General Fund capital programme budgets, which will require a commitment to significant borrowing.
- 7.3 Financial models have been developed to assess the viability of each individual scheme within the proposed programme. The financial model indicates that overall the schemes are viable, if grant funding from the GLA at £57.5m (£100k per unit) and additional HRA headroom of £51.4m can be secured as outlined in paragraph 5.2 above. The HRA 30 year financial model has also been updated to incorporate the HRA elements of these schemes and shows that they can be accommodated if additional headroom approval can be secured.
- 7.4 Overall scheme costs to deliver the council funded units are estimated to be in the region of £217m. The table below shows how it is currently proposed that this £217m cost will be funded.

The following table outlines the overall costs of the schemes and expected funding sources to deliver the council elements of the 1,000 new homes target:

Total scheme costs	£217m
Funded by:	
GLA grant funding application	£57.5m
Retained RTB receipts	£10.0m
Existing HRA borrowing headroom	£69.4m
Additional HRA borrowing headroom	£51.4m
GF borrowing	£28.7m
	£217m total

- 7.5 The total borrowing requirement is £149.5m of which £120.7m is HRA and £28.8m General Fund. The HRA has existing borrowing headroom of £69.4m which will be utilised along with the £51.4m headroom bid. This will have implications for the authority's treasury management which will require updating and an assessment of the overall council prudential borrowing requirement undertaken.
- 7.6 While the recommendations in this report undoubtedly provide an opportunity to direct additional resources to the development of needed new and increased social housing, as the report identifies, there are a number of risks with financial implications. In particular the scale and timing for completing the preparations for these developments in line with the GLA terms that load the Council's balance sheet through the necessary treasury borrowing of £149.5m. In particular, some of the £40m of general fund schemes are still in the pipeline so not yet committed in the capital strategy or plans. In turn this puts potential constraints on the level of investment the Council can make towards other schemes and priorities that may require borrowing going forward. For example; these schemes maximise the level of HRA borrowing through in-fill schemes, which without

additional funding or headroom, puts a constraint in the short to medium term on resources available for estate regeneration.

7.7 The conditions of the agreement with the GLA require the borrowing to be drawn within the four years of the scheme to access the headroom and grant. This may mean, if the programme is delayed, the full amount of benefit may not be drawn down and certain schemes stopped. Or if not stopped the Council having to commit additional finance from its own resources and at its own risk to cover for the lost benefits from the GLA. It may also be necessary to borrow to meet the terms for the grant before the HRA reserves are fully committed, adding additional years of interest costs to the model at the start of the scheme.

7.8 As with any financial model, a number of assumptions are used to assess the viability of the schemes to be developed. The main ones that impact the model are: 1) site preparation timeline and building costs, 2) interest rates on the debt, and 3) future rent levels. The financial modelling has used the current best understanding for these factors however, as the schemes develop and through their life these assumptions may change favourably or unfavourably with significant impact on the costs to the Council. The point about alignment and timing of the schemes matched to the GLA funding terms is noted at 6.8. In addition, with the focus on the level of housing supply to be delivered in London in the coming years there may be constraints on the skills and resources to deliver which will adversely impact costs. The interest rates used are those in 2018, however the borrowing will not be fully drawn until the fourth year of the scheme when rates may be different and we are currently in a rising interest rate environment. Any rise in interest rates will add to the costs and impact the affordability of schemes. The model assumes future rents will rise at 1% above CPI, reflecting the current government housing assumptions. However, as seen in recent years, the government has changed this assumption impacting rental income levels on a compound basis in the HRA business plan and therefore the timeframes in which debt can be repaid.

7.9 For these risks the Council has certain mitigations that can be applied and these are considered below. These may have the impact of requiring schemes to be altered or even stopped where assumptions change significantly and the business case for each scheme is revised as more detailed preparations advance and economic circumstances change over time. In terms of mitigations some of the options to flex and minimise the financial risks include:

- Adjusting schemes in and out of the programme and their order for delivery;
- Considering the Treasury requirements, individually and in aggregate to develop the most effective plan consistent with the CIPFA prudential code and Council's capital strategy;
- Looking to alternative sources of finance than the PWLB to reduce financing costs, for example issuing a bond via the Municipal Bond Agency;
- Within the HRA redefining the debt repayment timelines, consistent with the wider options for managing the housing stock portfolio in the business plan (which includes rental income and maintenance costs);
- Bearing down on site preparation and building costs through effective planning, procurement and contract management; and
- Of course, not proceeding and withdrawing certain schemes from the plan if they should no longer prove viable.

7.10 As outlined in this report, work continues on the identification and financial impacts of the individual sites associated to the delivery of the new 1,000 additional homes target. The financial implications of the schemes associated with this programme will be reported on individually as and when they are sufficiently developed and brought forward for approval by Mayor and Cabinet.

8 Legal implications

8.1 The Council is considering making applications for Affordable Homes Grant funding and for additional HRA borrowing on the terms set out in the application documents; and indicating willingness to participate in RTB ringfencing proposals. The report sets out the reasons for and implications of the proposal and notes that further reports will be brought in the future.

8.2 It is within the Council's powers to take those actions. The Council has a wide general power of competence to do anything that individuals generally may do (Section 1 of the Localism Act 2011). The Council can rely on this power to carry out housing development, to act in an "enabling" manner in relation to the provision of new affordable housing. Further, the Council can undertake activities that are either economically, socially or environmentally beneficial for the authority and residents (Local Government Act 2000). Finally, the Council has a duty to obtain best value in the procurement of works, services and supplies and to secure continuous improvement in the way functions are carried out, having regard to a combination of economy, efficiency and effectiveness (Local Government Act 2003).

8.3 General decision making principles require consideration of all relevant matters, including financial impacts.

8.4 Some of the proposals set out in this report are at an early stage of development. Detailed specific legal implications will be set out in subsequent reports to Mayor and Cabinet as appropriate where further decisions are required. Such implications would, if any proposals were to affect existing secure tenants who were likely to be substantially affected, include comment on the possibility of requirements for consultation (section 105 of the Housing Act 1985).

8.5 The Council must comply with the public sector equality duty (the equality duty or the duty, see Equality Act 2010 - the Act). 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.

8.6 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.

8.7 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 7.6 above.

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.

8.8 Guidance from the Equality and Human Rights Commission (to which the Council must have regard) includes information which deals particularly with the equality duty, and 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.

9 Crime and disorder implications

9.1 There are no direct crime and disorder implications arising from this report

9.2 All individual projects included in the bids will be submitted for Mayor and Cabinet approval before proceeding to start on site, and the report will clearly set out any specific crime and disorder implications.

10 Equalities implications

10.1 The proposals will increase the number of social rent homes in the borough to enable more households on low incomes to access secure and safe accommodation.

10.2 All individual projects included in the bids will be submitted for Mayor and Cabinet approval before proceeding to start on site, and the report will clearly set out any equalities implications.

11 Environmental implications

11.1 There are no direct environmental implications arising from this report.

11.2 All projects included in the bids will be submitted for Mayor and Cabinet approval before proceeding to start on site, and the report will clearly set out any specific environmental implications.

12 Background Documents and Report Originator

Title	Date	File Location	Contact Officer
List of sites – 500 homes programme	3 September 2018		Jeff Endean 020 8314 6213

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

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Project	Ward	Number of New Council Homes	Number of Council Home Residents	Next decision/stage	Target Planning Dates		Target Start on Site	Target Completion Dates
					Submission	Approval		
Completed schemes								
Mercator Road	Lewisham Central	6	28	Complete				
Slaithwaite Community Room	Lewisham Central	1	2	Complete				
Forman House	Telegraph Hill	2	6	Complete				
Angus Street	New Cross	1	5	Complete				
Dacre Park South - Phase 1	Blackheath	7	22	Complete				
PLACE/Ladywell	Ladywell	0	0	Complete				
Hamilton Lodge	Forest Hill	0	0	Complete				
Hazelhurst Court	Downham	60	120	Complete				
Wood Vale	Forest Hill	9	36	Complete				
Honor Oak Housing Office	Telegraph Hill	5	20	Complete				
SUBTOTAL		91	239					
Schemes on site								
Dacre Park South - Phase 2	Blackheath	18	73	On site				Jul-18
Forster House (Nuthatch House)	Whitefoot	24	74	On site				Feb-19
Woodbank	Whitefoot	4	18	On site				Mar-19
Longfield Crescent	Forest Hill	27	109	On site				Sep-18
Dacre Park North	Blackheath	5	20	On site				Mar-19
Campshill Road	Lewisham Central	34	68	On site				Feb-19
<i>On-site subtotal</i>		112	362					
CUMULATIVE SUBTOTAL		203	601					
Schemes awaiting start on site								
Rawlinson House	Lewisham Central	1	2	Tenders to be issued			Sep-18	Jun-19
Kenton Court	Bellingham	25	96	Tenders to be issued			Dec-18	Dec-19
Hawke Tower	New Cross	1	2	Tenders to be issued			Sep-18	Jun-19
Somerville Estate Phase 1	Telegraph Hill	23	101	Tenders to be issued			Dec-18	Jun-20
Marnock Road	Crofton Park	6	30	Tenders to be issued			Sep-18	Dec-19
Pepys Housing Office	Evelyn	5	25	Tenders to be issued			Sep-18	Jun-19
Endwell Road	Telegraph Hill	9	37	Tenders to be issued			Sep-18	Dec-19
Grace Path	Sydenham	5	25	Tenders to be issued			Dec-18	Jun-19
Stanstead Road	Perry Vale	4	8	Tenders to be issued			Dec-18	Dec-19
Algernon Road	Ladywell	4	20	Tenders to be issued			Dec-18	Jun-20
Church Grove	Lewisham Central	5	26	Tenders to be issued			Dec-18	Dec-19
Mayfield	Lee	50	226	Tenders to be issued			Dec-18	Dec-19
Silverdale Hall	Sydenham	6	27	Tenders to be issued			Dec-18	Jun-19
Forest Estate	Forest Hill	17	71	Tenders to be issued			Dec-18	Jun-20
Home Park	Bellingham	31	115	Tenders to be issued			Dec-18	Dec-19
<i>Awaiting start subtotal</i>		192	625					
CUMULATIVE SUBTOTAL		395	1226					
Schemes awaiting planning consent								
Edward Street	New Cross	34	158	Planning decision		Jul-18	Dec-18	Dec-19
Brasted Close	Sydenham	0	0	Planning decision		Jul-18	Dec-18	Dec-19
Bampton Estate	Perry Vale	50	100	Planning decision		Jul-18	Mar-19	Jun-20
Hillcrest Estate (High Level Drive)	Sydenham	22	108	Planning decision		Jul-18	Dec-18	Jun-20
<i>Awaiting planning subtotal</i>		106	366					
GRAND TOTAL		501	1592					

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Housing Select Committee			
Report Title	New Homes Programme	Item No	8
Contributors	Head of Strategic Housing		
Class	Part 1	Date	18 September 2018

1. Purpose of paper:

1.1. This report provides an update on progress of the delivery of the 500 new homes in the New Homes, Better Places programme and the broad strategy for the delivery of a further 1,000 new social homes.

2. Recommendations:

2.1. It is recommended that Housing Select Committee review and note the report.

3. Background:

3.1. The Lewisham Housing Strategy 2015-2020 contains four priorities:

- Helping residents at times of severe and urgent housing need
- Building the homes our residents need
- Greater security and quality for private renters
- Supporting our residents to be safe, healthy and independent in their home

3.2. London faces one of the most significant housing shortages since the end of the Second World War. In line with our strategy priorities, Lewisham Council acknowledges the challenges faced by our residents and is committed to tackling those with the greatest housing need.

3.3. In July 2012 the Council embarked on a programme to build 500 new social homes in response to a series of on-going housing policy and delivery challenges, most notably an enduring under-supply of new affordable homes available to the Council to meet housing demand.

3.4. A series of update reports has subsequently been considered by both Mayor and Cabinet, and Housing Select Committee, outlining progress in meeting the target of starting 500 new Council homes for social rent in 2018.

3.5. The new administration has set a target of a further 1,000 social homes by 2022.

4. New Homes –500 homes update

- 4.1. The six Council homes at Mercator Road were the first of the 500 homes to be completed and represented the first Council homes to be built in the borough in a generation. Since then, a total of 91 new Council homes have now been completed, whilst a further 112 are on-site and are being delivered. 209 homes have received planning permission and are awaiting start-on-site. 106 homes are currently moving through the planning decision process.
- 4.2. Planning applications have been submitted for all homes which are part of the 500 home programme and are at various stages, as detailed in the following table:

Table 1

Project Status	Number of New Council Homes
Planning Submission	0
Awaiting Planning Consent	106
Awaiting Start-On-Site	192
On Site	112
Completed Schemes	91
Total	501

- 4.3. A more detailed summary of the programme, comprising all of the sites and their individual progress can be found at Appendix A of this report.
- 4.4. Committee will be aware that a number of the sites within the 500 home programme are awaiting consideration and determination at planning committees. Development on small “infill” sites can be difficult to bring forward and among these sites there are some where there are a range of views, both in favour of and opposed to developments. As noted in the last report to this Committee, officers will ensure that the Committee is updated regularly as these schemes progress through the planning process.

Modern Methods of Construction

- 4.5. The Council is now working towards delivering four more “pop-up housing developments” in Lewisham, to be built with modern methods of construction of the type seen at the award winning PLACE/Ladywell. Three of the first four of these developments are contained within the 500 home programme, at Edward Street in Deptford (previously “PLACE/Deptford), at Mayfield in Lee Green and at Home Park in Bellingham. Kenton Court was originally included in this but due to logistics, assembly of modules would not be possible. This site is now included as part of one of the packages of works being procured by Lewisham Homes on behalf of the Council.
- 4.6. Working with Cast Consultancy, regarded as industry leaders, to undertake a detailed soft market testing exercise looking at how we would procure a manufacturer to deliver these three schemes and considering the scope for a longer-term partnership with the Council to secure a regular factory slot for some of our burgeoning development pipeline.

- 4.7. This exercise has given officers significant market intelligence and has will ensure the procurement will be more effectively designed to ensure optimum value.
- 4.8. A Paper to Mayor and Cabinet will be presented in October which will confirm the Council's approach to procurement and outline a timetable to commencement of the development.

Procurement

- 4.9. The table above sets out that a large number of homes have achieved planning consent but have yet to start on site. In large part this is to enable the procurement of construction in "packages" which combine sites with planning consent into groups that will be of sufficient size and construction value to attract high quality construction partners.
- 4.10. In that regard, a Mayor and Cabinet report was approved on 11 July 2018 which confirmed the procurement approach and delivery budget required for 167 of the 501 new Council homes. The homes are to be grouped into three packages, and the budget will then be delegated to Lewisham Homes to enable it to manage the construction of these homes in accordance with the terms of its Management Agreement.
- 4.11. Lewisham Homes are currently on track to commence procurement in earnest this month, starting with a meet the bidders event. Contacts should be signed by the end of the year with work commencing on site early in 2019.

5. New homes: 1,000 homes update

- 5.1. The new Mayor has pledged to create 1,000 social homes during the next four years.
- 5.2. Officers are currently in the process of identifying a range of potential sites to enable this commitment to be met. It is anticipated that the social homes will be delivered in a range of ways and by a number of partners.
- 5.3. This will entail a bid to the GLA to enable the Council to access a higher level of grant, currently anticipated to be around £100,000 per unit let at London Affordable Rent, as part of the Building Council Homes for Londoners programme. This will also include a bid to Government for both an increase in HRA headroom. A separate report to this Committee is being present that covers this bid in greater detail.
- 5.4. Officers anticipate that a comprehensive pipeline detailing the full range of opportunities to achieve the 1,000 home target will be available later in 2018. Housing Select Committee will be fully appraised of the development of this pipeline, and the on-going delivery of the previous 500 home programme.

- 5.5. Ahead of this, officers are pleased to confirm that inception briefs for 6 in-fills sites have been submitted to Lewisham Homes to work up into an initial feasibility bid. The briefs have set Lewisham Homes targets for number of dwellings, timescales and financial performance, all of which will be agreed prior to formal commencement of the project.
- 5.6. Furthermore, council officers are bringing forward four schemes, totalling around 80 units. Three of these proposals will be for Temporary Accommodation, helping to address the 2,000 Lewisham households currently in Temporary Accommodation and tackling the Mayor's objective to put an end to nightly paid accommodation in the borough.
- 5.7. Architects are currently being procured for these sites with the aim to get planning applications submitted around the end of 2018.

6. Financial implications:

- 6.1 The Council's current 30 year financial model for the Housing Revenue Account (HRA) includes provision for up to 500 new units, for social rent purposes, at an average cost of £190k each (adjusted annually for inflation) over the first 10 years of the model.
- 6.2 The delivery of the HRA Social Units from the New Homes Better Places programme outlined in this report will be funded from this provision.
- 6.3 The delivery of the Edward Street development using modern methods of construction will be funded through General Fund Prudential Borrowing.
- 6.4 As outlined in this report, work continues on the identification and financial impacts of the individual sites associated to the delivery of the new 1,000 additional homes target and potential bids for GLA grant and additional HRA headroom. The financial implications of the schemes associated with this programme will be reported on individually as and when they are sufficiently developed and brought forward for approval by Mayor and Cabinet.

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. Meeting the Council's statutory housing obligations is reflected in the objectives of the Housing Strategy 2015-2020: statutory homelessness duty; provision of housing advice and landlord responsibilities.

- 7.3 The Council has appointed Lewisham Homes to act as its Development Agent responsible for managing the Council's new build development programme. The Management Agreement with Lewisham Homes sets out each party's responsibilities in this respect. The Council has overall strategic responsibility for the development programme. As part of this, the Council is required to grant financial approval as required for Lewisham Homes to deliver the development programme. Accordingly Mayor & Cabinet is being asked to agree the budgets for the schemes referred to in this report.
- 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 9.3 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:

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

9. Crime and Disorder implications

- 9.1. There are no crime and disorder implications arising directly from this report.

10. Environmental implications

- 10.1. Any environmental implications from the delivery of new homes are considered and addressed on a scheme by scheme basis through the design and planning process. There are therefore no additional environmental implication arising directly from this report.

For further information please contact Jeff Endean, Housing Strategy and Programmes Manager, on 020 8314 6213.

Appendix A – 500 homes progress as at 29 August 2018

Project	Ward	Number of New Council Homes	Number of Council Home Residents	Next decision/stage	Target Planning Dates		Target Start on Site	Target Completion Dates
					Submission	Approval		
Completed schemes								
Mercator Road	Lewisham Central	6	28	Complete				
Slaitwaite Community Room	Lewisham Central	1	2	Complete				
Forman House	Telegraph Hill	2	6	Complete				
Angus Street	New Cross	1	5	Complete				
Dacre Park South - Phase 1	Blackheath	7	22	Complete				
PLACE/Ladywell	Ladywell	0	0	Complete				
Hamilton Lodge	Forest Hill	0	0	Complete				
Hazelhurst Court	Downham	60	120	Complete				
Wood Vale	Forest Hill	9	36	Complete				
Honor Oak Housing Office	Telegraph Hill	5	20	Complete				
SUBTOTAL		91	239					
Schemes on site								
Dacre Park South - Phase 2	Blackheath	18	73	On site				Jul-18
Forster House (Nuthatch House)	Whitefoot	24	74	On site				Feb-19
Woodbank	Whitefoot	4	18	On site				Mar-19
Longfield Crescent	Forest Hill	27	109	On site				Sep-18
Dacre Park North	Blackheath	5	20	On site				Mar-19
Campshill Road	Lewisham Central	34	68	On site				Feb-19
<i>On-site subtotal</i>		<i>112</i>	<i>362</i>					
CUMULATIVE SUBTOTAL		203	601					
Schemes awaiting start on site								
Rawlinson House	Lewisham Central	1	2	Tenders to be issued			Sep-18	Jun-19
Kenton Court	Bellingham	25	96	Tenders to be issued			Dec-18	Dec-19
Hawke Tower	New Cross	1	2	Tenders to be issued			Sep-18	Jun-19
Somerville Estate Phase 1	Telegraph Hill	23	101	Tenders to be issued			Dec-18	Jun-20
Marnock Road	Crofton Park	6	30	Tenders to be issued			Sep-18	Dec-19
Pepys Housing Office	Evelyn	5	25	Tenders to be issued			Sep-18	Jun-19
Endwell Road	Telegraph Hill	9	37	Tenders to be issued			Sep-18	Dec-19
Grace Path	Sydenham	5	25	Tenders to be issued			Dec-18	Jun-19
Stanstead Road	Perry Vale	4	8	Tenders to be issued			Dec-18	Dec-19
Algernon Road	Ladywell	4	20	Tenders to be issued			Dec-18	Jun-20
Church Grove	Lewisham Central	5	26	Tenders to be issued			Dec-18	Dec-19
Mayfield	Lee	50	226	Tenders to be issued			Dec-18	Dec-19
Silverdale Hall	Sydenham	6	27	Tenders to be issued			Dec-18	Jun-19
Forest Estate	Forest Hill	17	71	Tenders to be issued			Dec-18	Jun-20
Home Park	Bellingham	31	115	Tenders to be issued			Dec-18	Dec-19
<i>Awaiting start subtotal</i>		<i>192</i>	<i>625</i>					
CUMULATIVE SUBTOTAL		395	1226					
Schemes awaiting planning consent								
Edward Street	New Cross	34	158	Planning decision		Jul-18	Dec-18	Dec-19
Brasted Close	Sydenham	0	0	Planning decision		Jul-18	Dec-18	Dec-19
Bampton Estate	Perry Vale	50	100	Planning decision		Jul-18	Mar-19	Jun-20
Hillcrest Estate (High Level Drive)	Sydenham	22	108	Planning decision		Jul-18	Dec-18	Jun-20
<i>Awaiting planning subtotal</i>		<i>106</i>	<i>366</i>					
GRAND TOTAL		501	1592					

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Angus Street	New Cross	1	5	Complete				
Dacre Park South - Phase 1	Blackheath	7	22	Complete				
PLACE/Ladywell	Ladywell	0	0	Complete				
Hamilton Lodge	Forest Hill	0	0	Complete				
Hazelhurst Court	Downham	60	120	Complete				
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Hillcrest Estate (High Level Drive)	Sydenham	22	108	Planning decision		Jul-18	Dec-18	Jun-20
<i>Awaiting planning subtotal</i>		106	366					
GRAND TOTAL		501	1592					

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Housing Select Committee			
Title	Select Committee work programme		
Contributor	Scrutiny Manager	Item	9
Class	Part 1 (open)	18 September 2018	

1. Purpose

To advise Members of the proposed work programme for the 2018/19 municipal year 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 24 July 2018 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 2018/19 was agreed at the Committee's meeting on 5 July 2018.
- 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.
- 4.3 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).

- 4.4 Items within each Select Committee work programme are linked to the Council's corporate priorities. Work is currently underway to develop a new corporate strategy, which will give corporate expression to the priorities of the new administration. Once developed, scrutiny work programmes can be adjusted to reflect the new corporate strategy and corporate priorities, if required. It is expected that the new strategy will be approved at full Council in November 2018.

5. The next meeting

- 5.1 The following reports are scheduled for the meeting on 31 October 2018:

Agenda item	Review type	Link to Corporate Priority	Priority
Lewisham Local Plan	Standard item	Decent homes for all	High
Fire safety in tall buildings	Standard item	Decent homes for all	High
Homelessness Reduction Act progress update	Standard item	Decent homes for all	Medium
Supported housing changes	Standard item	Decent homes for all	Medium
New Homes Programme	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

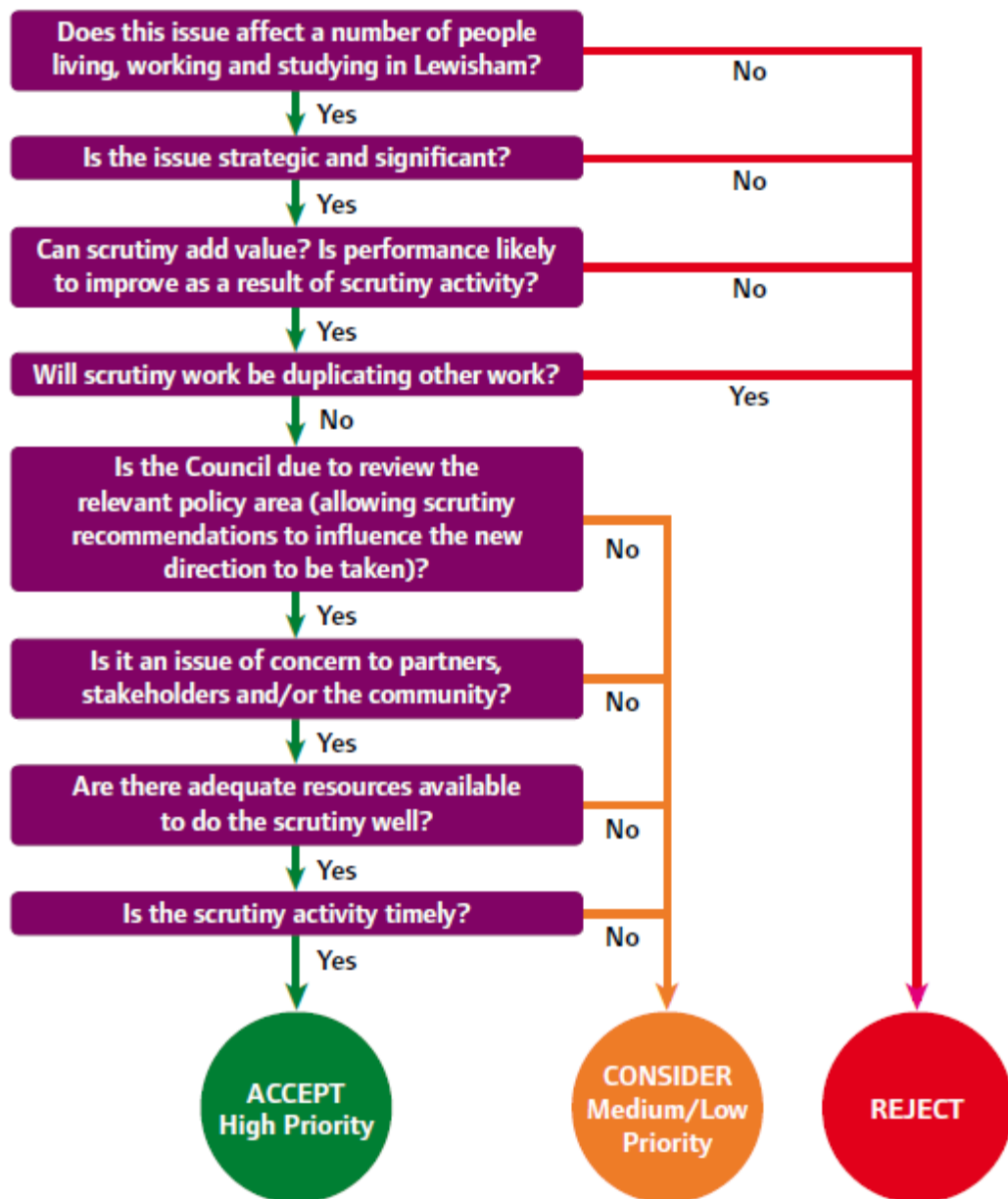
The date of the next meeting is Wednesday 31 October 2018.

Background Documents

Lewisham Council's Constitution

Centre for Public Scrutiny: the Good Scrutiny Guide

Scrutiny work programme – prioritisation process



Housing Select Committee work programme 2018/19

Programme of work

Work item	Type of item	Priority	Strategic priority	Delivery deadline	05-Jul	18-Sep	31-Oct	17-Dec	31-Jan	06-Mar
Lewisham Future Programme	Standard item	High	CP6	Ongoing			Savings			
New Homes Programme	Standard item	Low	CP6	Ongoing						
Election of the Chair and Vice-Chair	Constitutional req	N/A	CP6	Jul						
Committee work programme 2018/19	Constitutional req	High	CP6	Jul						
Housing in Lewisham overview	Standard item	Low	CP6	Jul						
Lewisham Homes	Performance monitoring	Low	CP6	Jul	Annual report & business plan					
Brockley PFI	Performance monitoring	Low	CP6	Jul	Annual report & business plan					
Milford towers leasing arrangements	Standard item	High	CP6	Jul						
Working in the Private Rented Sector	Standard item	High	CP6	Sep						
Capital Letters' - temporary accommodation procurement	Standard item	High	CP6	Sep						
Engaging residents on estate redevelopments	Standard item	Medium	CP6	Sep						
Building Council Homes for Londoners: Lewisham funding bid	Standard item	Medium	CP6	Sep						
Lewisham Local Plan	Standard item	High	CP6	Sep						
Fire safety in tall buildings	Performance monitoring	High	CP6	Oct						
Homelessness Reduction Act progress update	Performance monitoring	Medium	CP6	Oct						
Supported housing changes	Standard item	Medium	CP6	Oct						
Lewisham's Housing Strategy	Policy development	High	CP6	Dec						
Housing delivery models review update	Policy development	Low	CP6	Dec				Update		
Housing and mental health review update	Policy development	Low	CP6	Dec				Update		
Proposed rent and service charge increases	Standard item	Low	CP6	Jan						
Annual lettings plan	Standard item	Low	CP6	Mar						

	Item completed
	Item ongoing
	Item outstanding
	Proposed timeframe
	Item added

Meeting Dates:					
1)	Thursday	5 July	4)	Monday	17 December
2)	Tuesday	18 September	5)	Tuesday	31 January
3)	Wednesday	31 October	6)	Wednesday	6 March

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FORWARD PLAN OF KEY DECISIONS

Forward Plan September 2018 - December 2018

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.

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
June 2018	Ethical Care Charter	20/09/18 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor		
August 2018	Resettlement of Syrian Refugees	20/09/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
August 2018	SELCHP Contract Variation	20/09/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Sophie McGeevor, Cabinet Member for Parks, Neighbourhoods and Transport (job share)		
August 2018	Church Grove Community Led Housing: Underwriting GLA Grant	20/09/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
August 2018	Student Accomodation Commercial Waste Charges	20/09/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Sophie McGeevor, Cabinet Member for Parks,		

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
			Neighbourhoods and Transport (job share)		
June 2018	Lewisham Homes Governance Update	20/09/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
May 2018	Lewisham Homes Business Plan	20/09/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and		
August 2018	Homes for Londoners Bid	20/09/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
June 2018	20mph Boroughwide Speed Limit Update on Progress	20/09/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Sophie McGeevor, Cabinet Member for Parks, Neighbourhoods and Transport (job share)		
August 2018	Drumbeat School and ASD Service Instrument of Government	20/09/18 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School		

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
			Performance		
August 2018	The Oakbridge Federation School Instrument of Government	20/09/18 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance		
August 2018	Baring Primary School Instrument of Government	20/09/18 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance		
August 2018	Prevention , Inclusion and Public Health Commissioning Team retender of 3 current services	20/09/18 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor		
August 2018	Report by Local Government Ombudsman and Social Care Ombudsman	20/09/18 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor		
August 2018	Draft Lewisham Transport Strategy and Implementation Plan 2019-2041	20/09/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Sophie McGeevor, Cabinet Member for Parks,		

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
			Neighbourhoods and Transport (job share)		
August 2018	Approval for the Procurement for the disposal of Organic Waste	20/09/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Sophie McGeevor, Cabinet Member for Parks, Neighbourhoods and Transport (job share)		
March 2018	Laurence House Building Management System Upgrade Contract award	02/10/18 Overview and Scrutiny Business Panel	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith		
May 2018	Oracle Cloud Phase 2	02/10/18 Overview and Scrutiny Business Panel	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member for Democracy, Refugees & Accountability		
May 2018	Stillness School Kitchen and Dining Hall Contract	02/10/18 Overview and Scrutiny Education Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance		
May 2018	Amendments to the Constitution	03/10/18 Council	Kath Nicholson, Head of Law and		

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
June 2018	Members Remuneration	03/10/18 Council	Kath Nicholson, Head of Law and Mayor Damien Egan, Mayor		
May 2018	Secretary of State Approval Milford Towers	03/10/18 Council	Janet Senior, Executive Director for Resources & Regeneration and		
August 2018	Appointment of Council Representative to the Brent Knoll and Watergate Co-operative Trust	03/10/18 Council	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance		
June 2018	Adoption Statement of Purpose	10/10/18 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance		
June 2018	Fostering Statement of Purpose	10/10/18 Mayor and Cabinet	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance		
August 2018	Precision Manufactured Housing Procurement Strategy	10/10/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell,		

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 for Housing		
May 2018	Lewisham Park CAA and Article 4 Direction	10/10/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and		
May 2018	Response to Lewisham Poverty Commission	10/10/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and		
August 2018	Parks and Open Spaces Greening Fund	10/10/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Sophie McGeevor, Cabinet Member for Parks, Neighbourhoods and Transport (job share)		
August 2018	Cross Borough Procurement - Capital Letters	10/10/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
August 2018	Private Sector Housing Mandatory Licensing Extension	10/10/18 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Paul Bell, Cabinet Member for Housing		
August 2018	Office Stationery Contract	10/10/18 Mayor and Cabinet	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
			Regeneration and Councillor Amanda De Ryk, Cabinet Member for Finance, Skills and Jobs (job share)		
August 2018	Award of Highways Footway Contract	10/10/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Sophie McGeevor, Cabinet Member for Parks, Neighbourhoods and Transport (job share)		
August 2018	Award of Contract for Lewisham Stop Smoking Service	10/10/18 Mayor and Cabinet	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Deputy Mayor		
August 2018	Ladywell Playtower Project Update and Approval of Changes to Original Proposal	10/10/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Mayor Damien Egan, Mayor		
August 2018	Insurance Tender - Award of Insurance Contracts	16/10/18 Overview and Scrutiny Business Panel	Janet Senior, Executive Director for Resources & Regeneration and Councillor Amanda De Ryk, Cabinet Member for Finance, Skills and Jobs (job share)		
August 2018	Award of Highways Resurfacing Contract	31/10/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources &		

FORWARD PLAN – KEY DECISIONS

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			Regeneration and Councillor Sophie McGeevor, Cabinet Member for Parks, Neighbourhoods and Transport (job share)		
August 2018	Lewisham Strategic Heat Network Business Case	21/11/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Mayor Damien Egan, Mayor		
June 2018	Contract Award New Woodlands School	04/12/18 Overview and Scrutiny Education Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance		
March 2018	Demolition Contract Award for SEND school expansion projects	04/12/18 Overview and Scrutiny Education Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Paul Maslin		
May 2018	2 PCSA Contract Awards for Stage 1 of two SEND school expansion projects	04/12/18 Overview and Scrutiny Education Business Panel	Sara Williams, Executive Director, Children and Young People and Councillor Chris Barnham, Cabinet Member for School Performance		
August 2018	Council Tax Reduction - Consultation 2019-20	12/12/18 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and		

FORWARD PLAN – KEY DECISIONS

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			Councillor Amanda De Ryk, Cabinet Member for Finance, Skills and Jobs (job share)		
August 2018	Council Tax Reduction - Consultation 2019-20	23/01/19 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Joe Dromey, Cabinet Member for Finance, Skills and Jobs (job share)		

FORWARD PLAN – KEY DECISIONS

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