



Mayor and Cabinet

BFL Development Programme update and key decisions.

Date: 6th December 2023

Key decision: Yes

Part 1 Exempt Financial implications.

Ward(s) affected: All

Outline and recommendations

1. Mayor and Cabinet are asked to approve:

- A. The revised key milestones, progress update and financial position of the new build development programme. This includes sites on hold pending review, new additions with latest scheme cost estimates and revised viability assessments.
- B. The budget implications to the HRA and GF as set out within part 2 of this report.
- C. To agree the Total Scheme Cost for the Single Homeless Project (SHAP) and to accept the associated grant from the GLA and the use of Public Health Capital funding and to delegate approval of the terms of the grant funding agreement to the Executive Director of Place, in consultation with the Director of Resources and Director of Law and Corporate Governance.

2 Mayor and Cabinet are asked to note:

- A. Background to the Building for Lewisham development programme as agreed by Cabinet in January 2020.
- B. An updated development programme with latest amendments including pausing of sites Hensford Road, Markwell, Evelyn, Dacres, Home Park, and Edward Street. Revised programme financial impacts and out turn within part 2 of this report.
- C. Note Planning submission forecast on approved sites identified within programme summary appendix 4 of this report.
- D. The development and regeneration progress update, key changes, challenges, and risk.
- E. The intended outcome to bring forward a pipeline of new, more viable development sites. Each site to be approved on a scheme-by-scheme basis prior to planning submission.
- F. The risks and market challenges highlighted impacting the delivery of the programme and note that a report will return to Mayor and Cabinet on a quarterly basis to monitor progress.

Appendices:

Part 2: Exempt Financial Implications

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Timeline of engagement and decision-making

Mayor and Cabinet, 11 July 2018 - New Homes Programme

Mayor and Cabinet, 15 January 2020 - Building for Lewisham Programme

Mayor and Cabinet, 8 July 2020 - Building for Lewisham Update

Mayor and Cabinet 21st September 2023 – Edward Street and Home Park Update report

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1. Summary

- 1.1. An ambitious new build development programme Building for Lewisham (BfL) was launched in January 2020. Lewisham Homes acted as the Council's direct delivery partner for three years until February 2023. This programme contributes to the Mayor target of 800 new affordable homes in Borough.
- 1.2. In February 2023, Lewisham Homes' delivery function was in sourced to align with the Council Strategic Housing and Growth team. The existing and future programme is now being delivered in house within the Council's Place directorate.
- 1.3. Following the in sourcing of the Lewisham Homes development function, a review of the programme has been undertaken. This review has captured and established the status of live projects, performance, financial forecasts, and the impacts of rising build costs within the market.
- 1.4. Since approval of the BFL programme in January 2020 we have seen significant change both internally and externally. Externally the construction industry has become a more challenging environment for development than that was the case at programme outset. Internally our own governance and management of the programme has changed since the in sourcing of the development function from Lewisham Homes. These changes and challenges are detailed within this report.
- 1.5. Following integration of Lewisham Homes within the Council and whilst managing internal and external challenges time was taken to pause and reset the development programme. This provided time to assess market conditions, model programme cost increase and bring forward a pipeline of new viable sites.
- 1.6. There are a total of 857 homes in the in planning or pipeline schemes. This is addition to 97 homes that are on site and 262 which have already been delivered by the programme. This report sets out the revised programme of delivery, capturing latest programme costs, values, forecasts on live sites, site omissions from the programme and additions to the future pipeline. The appendices to this report set out revised schemes and unit mixes and financial modelling.
- 1.7. This report contains two parts, with Part 1 detailing the context, key changes, and programme updates and part 2 focussed solely on financial spend, performance, forecasts, and grant subsidy requirements. Due to the commercial sensitivity, part 2 is exempt.
- 1.8. The revisions to the programme noted in this report are responses to the challenges set out and are designed to manage risk and support the Council's broader HRA financial position.
- 1.9. It should be noted many of the schemes outlined within this report will require further cabinet approvals on a scheme-by-scheme basis. This could be due to changes in design, costs, and values. This is not unusual with a development programme of this size and scale.

RECOMMENDATIONS:

1. Mayor and Cabinet are asked to approve:

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- B. The budget implications to the HRA and GF as set out within part 2 of this report.
- C. To agree the Total Scheme Cost for the Single Homeless Project (SHAP) and to accept the associated grant from the GLA and the use of Public Health Capital funding and to delegate approval of the terms of the grant funding agreement to the Executive Director of Place, in consultation with the Director of Resources and Director of Law and Corporate Governance.

2 Mayor and Cabinet are asked to note:

- A. Background to the Building for Lewisham development programme as agreed by Cabinet in January 2020.
- B. An updated development programme with several sites being placed on hold including Hensford Road, Markwell, Evelyn, Dacres, Home Park, and Edward Street. Revised programme financial impacts and out turn within part 2 of this report.
- C. Note Planning submission forecast on approved sites identified within programme summary appendix 4 of this report.
- D. The development and regeneration progress update, key changes, challenges, and risk.
- E. The intended outcome to bring forward a pipeline of new, more viable development sites. Each site to be approved by Mayor and Cabinet on a scheme-by-scheme basis prior to planning submission.
- F. The risks and market challenges highlighted impacting the delivery of the programme and note that a report will return to Mayor and Cabinet on a quarterly basis to monitor progress.

2. Background

- 2.1. Following approval of the BFL programme in January 2020 we have seen significant change both in the construction industry and our own governance and management of this programme.
- 2.2. These changes have had impacts on many of the sites in the Building for Lewisham programme. This report focuses on the programme impacts of these changes but will also reflect on several high impact project level changes.
- 2.3. All individual sites within the BFL programme have been, or are due to be, taken through Mayor and Cabinet on a scheme-by-scheme basis for approval to proceed through key gateway stages.
- 2.4. The report asks Mayor and Cabinet to note the risks and market challenges highlighted impacting the delivery of the programme and note that a report will return to Mayor and Cabinet on a quarterly basis to monitor progress.

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3. Policy Context and Mayor Commitments

- 3.1. The Council's Corporate Strategy (2022-2026) outlines the Council's vision to deliver for residents over the next four years. Building on Lewisham's historic values of fairness, equality and putting our community at the heart of everything we do, the Council will create deliverable policies underpinned by a desire to promote vibrant communities, champion local diversity and promote social, economic and environmental sustainability.
- 3.2. Delivering this strategy, the following priority outcomes were identified: Strong Local Economy, Quality Housing, Health and Well Being and Safer Communities. Providing accessible quality affordable housing in the Borough directly contributes to achieving these priorities and outcomes.
- 3.3. The Mayor has also made a range of development related commitments which include:
 - Delivering a further 800 new social homes for families on Lewisham's housing waiting list, delivering a total of 2,000 new social homes in Lewisham between 2018 and 2026.
 - Develop our new rent-controlled homes with a focus on delivering affordable and secure rents for younger people.
- 3.4 Our new build development programme directly contributes to these commitments.

4. Market Challenges in Development:

- 4.1 Many risks impact project and programme delivery of new build homes. Since programme approval in January 2020, we have seen significant economic factors which have disrupted development across the sector. These have been reported to cabinet during regular briefings and within reports set out within the engagement timeline.

4.2 Rise in construction and labour cost

The steep rise in construction costs has been significant across the sector. Building Cost Information Service are reporting an average rise of 25% since 2020. This increase has impacted the majority of our new build projects, the detail of which are set out in the summaries in part 2 to this report.

4.3 Inflation impacting cost of borrowing

With interest rates at the highest rate for some years it has stalled many development sites nationally and caused many existing project viabilities to quickly become negative with many developers seeking ways to improve financial outturns.

Trade press magazine Inside Housing reported in June and August 2023 that due to inflation, high interest rates and a rising cost of debt that a quarter of councils had paused development and Housing Associations had cut development by up to 20%.

4.4 Changes in building safety and regulations

- 4.4.1 Alongside a rise in construction costs and inflation, we have seen several building regulation changes which have required a higher standard of specification and design.

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These include the new Building Safety Act regulation changes 2023.

4.4.2 The Department for Levelling Up and Communities have undertaken a consultation on proposed changes to the building regulations. In July 2023 expected regulation changes were confirmed and mandated requirements that buildings over 18m in height should be designed and built with 2 staircases and that all passenger lifts that are due to be replaced or installed in new or existing tall buildings should be evacuation lifts.

4.4.3 These changes have impacted all design programmes and costs on new schemes moving forward.

4.4.4 There are potentially further risks around regulation changes which may come into effect in the future. These risks are managed by the project managers and appointed design teams.

4.5 Our response:

The rise in costs and borrowing have impacted our programme viability with our Development and Finance teams searching for ways to bridge the viability gaps. Some of our mitigation measures to maintain delivery include:

- **Grant Funding with the GLA:** Securing the highest possible grant rates per unit on several core sites to reduce the cost per home on affordable rented schemes.
- **Right to Buy (RTB) Allocations:** Using our RTB receipts to fund low-cost home ownership sites where at 40% of cost this significantly helps reduce the overall cost per home and produces positive surpluses to cross subsidise our social rented programme.
- **Design efficiency:** Pausing our preconstruction sites and undertaking thorough design reviews. These measures have been taken to ensure the schemes designed are deliverable, high quality and affordable.
- **Procurement:** Reviewing our procurement strategy for new sites and opportunities to ensure we achieve best value in the market. Strategies which place greater emphasis on partnering are strongly being considered.
- **Financial assumption review November 2023:** Undertaking a full review of our financial assumptions when assessing schemes for delivery. This ensures we remain competitive, undertake accurate benchmarking, and manage risk within our project viabilities.

5. Programme summary and key updates:

5.1 The new build development programme is comprised of three core elements:

- Preconstruction “*design and planning*” (approved as part of BFL programme)
- Delivery “*schemes on site*” (approved as part of the BFL programme)
- Regeneration (Achilles Estate approval as part of the BFL programme)

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5.2 New Home Completions

On the direct delivery aspect of the programme, there have been 164 completions in the last 12 months:

Scheme	Tenure	New Homes	Completion
Creekside	Social Rent	22	May 2023
Creekside	Shared Ownership	34	May 2023
Mayow Road	Temporary Accommodation	26	April 2023
Mayow Road	Supported Housing	6	April 2023
Kenton Court	Social Rent	25	May 2022
Somerville	Social Rent	23	March 2023
Knapdale Close	Social Rent	17	January 2023
Silverdale	Social Rent	6	November 2022
Grace Path	Social Rent	5	November 2022

- 5.2.1 As above, the majority of the direct delivery homes have been for social rent but the Council has also delivered other tenures in the programme. The Creekside development is a mixture of social rent homes and shared ownership homes. Whilst shared ownership has been an intermediate affordable housing product delivered by our Housing Association partners for many years, the Creekside development has been the first directly delivered and managed shared ownership Council homes. At the time of writing, 31 of the 34 homes have been sold, demonstrating a strong appetite for this Council owned tenure providing affordable homes for those that do not qualify to join the Housing Register or are unable to afford market sale housing.
- 5.2.2 The mixed development at Mayow Road has delivered much needed, good quality, in borough temporary accommodation as well as specialist supported housing for adults with a high level of need. The specialist homes have been delivered in partnership with the NHS and colleagues in the Adult Social Care team providing 24-hour onsite support to allow residents to live with a degree of independence that they could not previously access. Both elements of the development not only provide good quality, new housing for our residents, but also provide significant budget savings for the Council and the NHS against private providers.
- 5.2.3 In the same period, the Council also undertook the highly successful Right to Buy Buyback scheme which saw officers seek and purchase properties that had previously been purchased under the Right to Buy for use as temporary accommodation for households to whom the Council have a housing duty. There were 117 properties which were purchased.
- 5.2.4 Working with our partners, there were also completions on schemes at Brasted Close and Meadow House. Brasted Close was delivered in partnership with the London

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Community Land Trust and Lewisham Citizens to provide 11 discount market sale homes to local residents, based on the local median wage rather than the market rate. Meadow House has been delivered by Pinnacle Spaces and provided 43 new rented homes.

- 5.2.5 In the last 12-14 months, planning permissions have been granted for direct delivery schemes at Drakes Court, Fairlawn (former nursery site), Ladywell and Valentines Court. Combined, these permissions are for 163 new homes.

5.3 Programme implications with detailed project and financial summaries:

- 5.3.1 All the sites are listed within the appendix 1 programme summary. This summary details unit numbers, tenure, and key milestone dates.
- 5.3.2 Please note the financial forecast, spend and viability assessments are set out within part 2 of this report.
- 5.3.3 The implications to the Housing Revenue Account (HRA) and General Fund (GF) are also set out within part 2 of this report.

5.4 Preconstruction and Regeneration

5.4.1 Preconstruction existing programme:

This element of the programme consists of seven development sites (Drakes Court, Fairlawn, Greystead, Mayfield, Ladywell, Manor Avenue, Valentines Court and Thomas Lane Yard) This programme is projected to deliver 379 homes comprising of rent and shared ownership.

5.4.2 Schemes on hold within preconstruction programme:

Following the in-housing to the Council of the Lewisham Homes delivery function a decision was taken to review the development programme. During this review it was established that several sites had significant viability gaps which, notwithstanding taking necessary steps to mitigate, would remain a high funding gap and may not be value for money in current form.

The Council's Officer New Homes Programme Board agreed that Dacres, Hensford, Markwell and Evelyn Court were placed on hold and are now under review as part of a smaller sites programme within the Council. Future uses on these sites will form part of a future report on smaller sites programme during in Spring 2024.

5.5 Programme risk:

- 5.5.1 The key risks impacting the pre-construction element of the development programme are rising costs and general inflation. Steps are being taken to review designs, maximise grant subsidy and assess procurement approaches to ensure we can deliver our firm sites where construction has not yet begun.
- 5.5.2 Although this programme was approved as part of the BFL development programme in 2020, we have since seen significant changes to costs and overall project outturns. These are detailed and explained within part 2 of this report.

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5.6 Regeneration:

- 5.6.1 Our largest planned development site, the Achilles Estate Regeneration, is forecast to deliver approximately 300 new homes. This development was subject to a positive ballot of residents in 2019 with 73% of eligible voters in favour of regeneration of the estate. As well as the delivery of new homes, the scheme is intended to enhance the existing public green spaces, and the spaces available for local businesses and community uses. The scale of the affordable housing delivery proposed in the Achilles scheme means that it is facing significant viability challenges.
- 5.6.2 The mix of new homes and development proposals remain in line with our landlord offer and the speed of delivery will be dependent on decant and land assembly programme.
- 5.6.3 We are working to bridge the viability gaps by increased grant funding, design efficiencies and running various option appraisals prior to any planning submission. The current NPV is negative and detailed within part 2 of this report.
- 5.6.4 Design, planning, and consultation programme are well underway, and we expect a detailed project paper for Mayor and Cabinet to be submitted Spring 2024. This cabinet paper will set out the delivery programme, financial model, business case and more detailed design proposals for approval.

5.7 Pipeline and opportunities

- 5.7.1 Following the integration of the Lewisham Homes development function Council officers have reviewed our overall approach to delivery and other delivery models. We have found where opportunities may be brought forward using our existing partnering relationships with developers, housing associations and landowners. Below are two examples where these opportunities may be found in the Borough.
- 5.7.2 On Parker House (Evelyn Ward) and Evelyn Court (Deptford Ward) we are looking to merge our land holdings with a private developer to ensure the delivery of circa 100 homes. This is subject to planning and other necessary approvals. Financial details are set out in the Part 2 report.
- 5.7.3 On Willow Way (Forest Hill Ward) we are looking to merge our land holdings with a private developer to ensure the delivery of circa 100 homes. This is subject to planning and other necessary approvals. Financial details are set out in the Part 2 report.
- 5.7.4 Both sites will require a full approval by Mayor & Cabinet on a scheme-by-scheme basis however this provides a brief update of some opportunities being considered to date.

5.8 Single Homeless Project “SHAP”

- 5.8.1 This project is a fully funded DLUHC programme with Bids submitted for capital funding and revenue to house and support up to 10 entrenched rough sleepers. Indicative Bids for Capital and Revenue have been agreed with the GLA on both elements.
- 5.8.2 We are acquiring six 1 bed units and inputting four 1 bed units from the General Needs housing stock. Public Health are contributing £300,000 in capital, that ensures high quality units can be purchased and decreases the required HRA borrowing.
- 5.8.3 We envisage the units to be purchased using the Right to Buyback and Housing Acquisitions Programme team and processes.

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- 5.8.4 The units must stay in use for rough sleepers for 3 years then they can become general needs stock.
- 5.8.5 This is good allocation of grant which reduces the need for HRA borrowing and will provide much needed housing for single homeless people in Lewisham.

5.9 Products and tenures

- 5.9.1 With the 25% increase in construction costs since 2020 the viability of the programme was reviewed, and the key impact has seen a move towards low-cost affordable home ownership in the form of Shared Ownership to enable cross subsidy and the continued delivery of socially rented affordable homes. This has improved the financial assessment of the approved pipeline of projects. This is achieved by not only bringing a portion of sales income into the programme, but also allows the most efficient use of the Council’s Right to Buy receipts (at 40% of total scheme costs) to improve viability. In turn this has allowed the Council to bid for higher levels of grant from GLA for the Social Rented homes also being developed.
- 5.9.2 As full home ownership is becoming increasingly unaffordable in London, Shared Ownership provides the opportunity for local people to get a foothold on the property ladder in Lewisham. Demand for Shared Ownership remains strong in London especially as it requires a smaller level of deposit and is also more affordable compared to private renting.
- 5.9.3 We have seen with our most recent completion at Creekside the demand for this low cost home ownership product with 70% of the homes being reserved off plan and sale values obtained matching those provided by our valuation team. We have spent £50,000 on incentives to date with only two homes remaining for sale.

This shift in emphasis is shown in the table below for the current programme:

Project	All Tenures	Social Rented	%	Shared Ownership	%
Achilles	290	140	48%	150	52%
Creekside	56	22	39%	34	61%
Drakes Ct	8	2	25%	6	75%
Fairlawn	12	1	8%	11	92%
Greystead	33	18	55%	15	45%
Ladywell	102	47	46%	55	54%
Mayfield	64	23	36%	41	64%
Thomas Ln Yd	113	39	35%	74	65%
Valentine Ct	41	26	63%	15	37%
Total	719	318	44%	401	56%

- 5.9.4 The programme established above is designed to enable agility responsiveness to grant funding availability and new cross subsidy models .

6. Delivery on site update

Currently 97 homes across 6 development sites

6.1 High level risk sites included within this programme:

6.1.1 Algernon Road:

The project received planning permission in June 2018 for four detached 3-bedroom, 5 person houses for letting on assured tenancies at social rents.

Market conditions resulting from significant rise in construction costs made this project no longer viable for the principal contractor. They eventually pulled off site and went into receivership.

Since these events earlier in the year we have secured the site and assessed procurement options for a contractor to complete the development. We are bringing a cabinet report back to Mayor and Cabinet early in the new year setting out our plans and proposals for this site.

6.1.2 Bampton Road:

The project on Bampton Estate is to deliver 39 one bed flats, a new ball court, play space and landscaping works. The works are being delivered on site by Guildmore. The project is due to complete in Feb 2024. The original completion date was September 2022.

The project has suffered delays mainly because of the impact of two Virgin Media (VM) cables traversing the site and the required surveys, liaison with VM and high quotations for diversion works. Having successfully negotiated a position with Virgin Media on the diversion of one cable and a build over solution for the second cable there is more certainty on expected project completion.

Guildmore have advised us that they have experienced significant loss on the project and as a result are requesting additional funds as way of contract variation to complete the works. We are working closely with Guildmore to ensure completion is achieved on site whilst ensuring prudent use of Council funding.

We have included our assumptions as part 2 of this report as they are commercially sensitive.

6.1.3 Longfield Road (Project completed 2019)

This project provided 27 affordable homes and completed in 2019 by our principal contractor MID Group. This contractor is now insolvent.

Following completion, several defects were reported relating to water penetration and consequent mould growth. These are timber framed buildings so the possibility of the effect of protracted water penetration on the structure is particularly significant, particularly in view of defects observed above.

The objective of the project team is to achieve a speedy resolution of the defects which will ensure resident safety and restore residents' full access to external balconies and terraces.

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We have appointed United Living (UL) the Council's preferred housing contractor to assist us in remedying of these defect issues. Whilst some minor repairs have been completed, we are undertaking further Intrusive surveys on site to ensure we obtain a full report to the extent of the issues within these buildings.

We expect to have a full programme of works agreed with UL by December 2023 with a budget for works.

This project will come back to Mayor and Cabinet in a single report capturing this issue in further detail with a budget to complete works and programme of works. We will also be setting out any lessons learnt to ensure future projects do not experience similar post completion issues. This report is expected early 2024.

6.1.4 Home Park and Edward Street Modular construction

These schemes were subject to a M&C paper in September 2023.

Modular homes were planned on both sites with our principal contractor (now insolvent) Caledonian Modular. These homes are partially complete and held in a factory off site.

In September 2023 approval was given by Mayor and Cabinet to delegate authority to Executive Directors of Finance and Place in taking the necessary steps to obtain best value for these homes and accelerate cost recovery through our legal team.

Mayor and Cabinet approved the delegation to the interim Executive Director for Place, in consultation with the Monitoring Officer and s151 Officer to approve disposal option,

Since cabinet we have been undertaking soft market testing and assessing disposal options with our development advisors. We plan to present a paper for approval to EMT by the end of 2023 outlining disposal options with a recommendation.

7. Risk

7.1 Financial

- 7.1.1. Developing new homes at this scale comes with significant financial exposure. Officers across the Council have been working diligently to ensure that this risk is mitigated and managed accordingly.
- 7.1.2. We have demonstrated within this report how the current market is impacting our ability to deliver and some solutions we are pursuing to meet this challenge with a firm and measured plan.
- 7.1.3. Regular consolidations of the entire programme are used to ensure that the financial performance is reviewed and reported accordingly with necessary mitigations developed to ensure the Council's risk exposure is managed and minimised where possible. We regularly monitor and track our overall NPVs and compare several development options before significant design works are undertaken.
- 7.1.4. The BfL programme assumes significant amount of capacity within the Housing Revenue Account Business Plan. This report seeks approval to reduce the level of HRA subsidy available to the programme giving ongoing review of the investment needs of the existing housing stock.

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- 7.1.5. To limit the Council's financial risk, a series of financial assumptions have been prepared that will be used to model and assess the viability of the developments. These were agreed by Officer New Homes Board in November 2023. This considers the impact to both the Housing Revenue Account and any prudential borrowing for sites in the General Fund. The assumptions have been established using benchmarking from other housebuilders and local authorities in order to provide a realistic financial projection of the performance of the schemes.
- 7.1.6. Grant funding: Lewisham, like most other councils in London, are able to deliver new social homes directly with the intervention of the Greater London Authority. Our social rented homes require significant grant funding to remain viable. Our Shared Ownership homes are funded through internal investment and right to buy receipts.

7.2 Governance

- 7.2.1. The integration of Lewisham Homes development function was undertaken in February 2023 Strategic direction, oversight and planning is provided for the programme via the Officer New Homes Programme Board. This board meets monthly and monitors performance of the programme against approved position.
- 7.2.2. For a scheme to progress, officers confirm that proposals will come to Mayor and Cabinet at the following stages:
- i. To agree a budget for feasibility beyond the limits of delegated authority;
 - ii. To agree the inclusion of schemes listed in the Programme and associated budgets required to progress to tender (subject to stage iii below)
 - iii. To approve the results of the s105 consultation and that the site can be developed subject to planning permission iv. To commit funding to procure a main works contractor.

7.3 Programme

- 7.3.1. There remain several factors outside of the control of the Council that impact delivery. Planning, consultation, and design is critical as is the ability to successfully deliver procurement processes in line with regulations.
- 7.3.2. The Council are routinely monitoring progress and are looking at innovative solutions which bring focus to partnering and longer-term commercial relationships.

7.4 Reputational

- 7.4.1 Whether we use direct delivery or partnerships to deliver our housing aims our reputation is always a risk we must manage prudently.
- 7.4.2 Our objectives and priorities are Affordable Housing as preferred tenure in the Borough. All direct delivery homes either rented or shared ownership.
- 7.4.3 All sites being funded by Internal Investment (HRA Borrowing), Social Housing Grant, RTBs and or S106 funding. The programme has no market sale and is reliant upon subsidy as outlined above.
- 7.4.4 To date, most residents in new Lewisham Council developments are proud of their new homes and are pleased with their environmental performance. We must ensure that we continue to deliver homes to this high standard and only work with contractors and partners who share this ambition.

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- 7.4.5 A stringent set of parameters and benchmarks are in place which allows us to monitor our success and continually learn lessons and evolve our standards. The Council has developed a set of design parameters and a Design Guide which we have taken forward to inform Employers Requirements and ensure our residents have well designed, well built and easy to maintain homes. This is kept under constant review and will evolve as more schemes are developed.

8. Financial implications

Set out within Part 2 report

9. Legal implications

- 9.1 Pursuant to section 8 of the Housing Act 1985, the Council is required to consider the housing conditions and needs of its area with respect to the provision of further housing accommodation. The Council has the power under section 9 of that Act to provide housing accommodation. The Local Government Act 2003 gives the Council power to borrow for any purpose related to its functions, and to utilise capital receipts, subject to the limitations set out in that Act.
- 9.2 The Council has a fiduciary duty to look after the funds entrusted to it and to ensure that its Council tax and ratepayers' money is spent appropriately. In embarking on and continuing any project, the Council must consider whether the project is a prudent use of the Council's resources both in the short and long term and must seek to strike a fair balance between the interests of tax/ratepayers on the one hand, and the wider community's interest on the other hand. The public sector equality duty under section 149 of the Equality Act 2010 requires the Council to have due regard to; (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share a protected characteristic and persons who do not share it. Any equality impact assessment prepared in respect of the Building for Lewisham project (or any part of it) should be revisited as part of changing nature of the project.
- 9.3 The Council has sufficient powers to accept grant funding from the GLA. The Council must take care to comply with the conditions of grant funding as failure to do so may result in grant payments being cancelled, withheld or claimed back by the GLA.

10. Equalities implications

- 10.1. There are no equalities implications arising directly from the recommendations set out in this report. However, it is noted that all of the protected characteristics will be considered and assessed with the impact and implications assessed as part of any decision to allocate a budget for the commencement of building work.
- 10.2 It should be noted that the Council is committed to ensuring our developments will be inclusive and feature accessible and adaptable homes that will meet the needs of our residents throughout their life.

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11. Climate change and environmental implications

- 11.1. Existing and future planning consents obtained are and will be in line with the standards expected by the Council and the GLA.
- 11.2. Due to the nature of this report and recommendations set out it is likely the future development proposals may change and therefore climate change and environmental implications will be reviewed once firm development options are prepared for approval. These will be set out within any subsequent approval to Mayor and Cabinet.
- 11.3. Whilst options are considered for a programme of sites, every effort will be made to enhance natural environments, enhance landscape and amenity space with all development options considered.

12. Crime and disorder implications

- 12.1. There are no direct crime and disorder implications arising from this report

13. Health and wellbeing implications

- 13.1 There are no direct health and wellbeing implications arising from this report

14. Social Value Implications

- 14.1. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Lewisham pay their staff at a minimum rate equivalent to the LLW rate.
- 14.2. Any future development options for these sites will be expected to meet LLW requirements and any associated contract conditions requiring the payment of LLW will be included in the service specification and contract documents.

15. Report author(s) and contact

Patrick Dubeck, Director of Inclusive Regeneration

Telephone Number: 02083 147 279

Email: Patrick.dubeck@lewisham.gov.uk

16. Appendices

None

Is this report easy to understand?

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