

| Housing Select Committee | | | |
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| Report Title | New Homes Programme | Item No | 9 |
| Contributors | Head of Strategic Housing | | |
| Class | Part 1 | Date | 5 July 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 1000 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. 85 homes have received planning permission and are awaiting start-on-site. 213 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:

| Project Status | Number of New Council Homes |
|---------------------------|-----------------------------|
| Planning Submission | 0 |
| Awaiting Planning Consent | 213 |
| Awaiting Start-On-Site | 85 |
| 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. Officers will ensure that the Committee is updated regularly as these schemes progress through the planning process
- 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. Officers are working on early options for the fourth pop-up and further details will be available later this year.

Procurement

- 4.6. 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.
- 4.7. In that regard, a Mayor and Cabinet report to be presented on 11 July 2018 will seek approval for a 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.

- 4.8. The sites have been broadly grouped in terms of their location, size and level of complexity, on the advice of technical advisors and following soft market testing. In total the construction budget for these homes is expected to exceed £50m, to be funded by a combination of HRA headroom, recycled receipts from Right to Buy sales, and grant from the GLA in line with its new funding arrangement for Councils, which Lewisham officers were instrumental in shaping, and which was launched in Lewisham in May.
- 4.9. Lewisham Homes will work closely with the Council's economic development team, and in particular with the Construction Hub based at Lewisham and Southwark College, to maximise the local job creation and local supply chain engagement in these contracts.
- 4.10. The strategy for the delivery of the homes to be built using modern methods of construction will be presented to Mayor and Cabinet in September 2018.

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. For instance, the current partnership between the Council and Lewisham Homes can be expected to deliver a large proportion of the 1,000 home target, subject to identifying suitable sites and there being sufficient capacity within HRA borrowing caps. Other homes may come forward through other partnerships, such as those with Peabody at Heathside and Lethbridge, L&Q at Excalibur and in the near future, subject to other decisions, on the Deptford sites at Tidemill and Amersham Vale.
- 5.3. Officers anticipate that a comprehensive pipeline detailing the full range of opportunities to achieve the 1,000 home target will be available in early autumn 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.

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, over the first 10 years of the model as part of the new homes, better places programme.
- 6.2 The delivery of the HRA Social Units outlined in section 4 (Packages B & C) and appendix A of this report, will be funded from this provision.

6.3 Work continues on the identification and financial impacts of the pipeline of 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 separately as and when they are sufficiently developed and brought forward for approval.

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 will be asked on 11 July 2018 to agree the budgets for the four schemes referred to in this report.
- 7.4 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 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 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.

- 7.7 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.
- 7.8 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-andpolicy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 7.9 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
- The essential guide to the public sector equality duty
 - Meeting the equality duty in policy and decision-making
 - Engagement and the equality duty
 - Equality objectives and the equality duty
 - Equality information and the equality duty

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 25 June 2018

