

<b>Housing Select Committee</b>			
<b>Report Title</b>	New Homes Programme	<b>Item No</b>	8
<b>Contributors</b>	Head of Strategic Housing		
<b>Class</b>	Part 1	<b>Date</b>	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		
<b>Completed schemes</b>								
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				
<b>SUBTOTAL</b>		<b>91</b>	<b>239</b>					
<b>Schemes on site</b>								
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>					
<b>CUMULATIVE SUBTOTAL</b>		<b>203</b>	<b>601</b>					
<b>Schemes awaiting start on site</b>								
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>					
<b>CUMULATIVE SUBTOTAL</b>		<b>395</b>	<b>1226</b>					
<b>Schemes awaiting planning consent</b>								
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>					
<b>GRAND TOTAL</b>		<b>501</b>	<b>1592</b>					