

MAYOR AND CABINET			
Title	Church Grove Community Led Housing: Underwriting GLA Grant		
Key decision	Yes	Item no	
Wards	Lewisham Central		
Contributors	Executive Director for Customer Services, Executive Director for Resources and Regeneration, Head of Law		
Class	Part 1	20 September 2018	

1 Summary

- 1.1 In September 2015 Mayor and Cabinet selected the Rural Urban Synthesis Society (RUSS) to deliver a community led self-build housing scheme on the Church Grove site, following an OJEU compliant competitive dialogue process.
- 1.2 RUSS is a community land trust (CLT) that will build 33 affordable homes, including five for social rent, and a community hub that can be used by local people and will host workshops on community led development.
- 1.3 On June 7th 2018, RUSS were granted planning permission to deliver their self-build housing development and are working towards starting on site in December 2018.
- 1.4 To support the delivery of the Church Grove scheme the GLA have agreed to give RUSS a grant of £988,000 from their Innovation fund.
- 1.5 To allow this grant to be made Lewisham Council need to underwrite the grant payment, to ensure that affordable housing in line with the grant agreement are delivered on the Church Grove site in the event that RUSS fails to do so.
- 1.6 This report is in two parts. This Part 1 sets out the background to the Church Grove scheme and the proposed grant. Part 2 contains confidential financial information relating to the grant and the proposed underwriting by the Council.

2 Recommendations

Mayor and Cabinet is recommended to:

- 2.1 Approve the underwriting of the GLA Innovation Fund grant of £988,000 as set out in part 2 of this report.
- 2.2 Delegate authority to the Executive Director for Resources & Regeneration, in consultation with the Head of Law, to agree the underwriting as set out in part 2 of this report.

3 Policy Context

- 3.1 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.
- 3.2 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.
- 3.3 Lewisham's Housing Strategy was approved at Full Council in May 2015. This strategy sets out the Council's ambition to address the challenges in the borough through the following 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 greater quality in the social and private rented sectors
- 3.4 Lewisham's Core Strategy has the objective to make provision for the completion of an additional 18,165 net new dwellings from all sources between 2009/10 and 2025/26, to meet local housing need and accommodate the borough's share of London's housing needs. This aims to exceed the London Plan target for the borough. The Core Strategy also has the objective to make provision to meet the housing needs of Lewisham's new and existing population, which will include:
 - provision of affordable housing
 - a mix of dwelling sizes and types, including family housing
 - lifetime homes, and specific accommodation to meet the needs of an ageing population and those with special housing needs

- bringing vacant dwellings back into use

4 Background

- 4.1 RUSS was formed in 2009 in Lewisham, with the aim of creating sustainable community-led neighbourhoods and truly affordable homes right across London.
- 4.2 In October 2012, Mayor and Cabinet agreed that officers should explore the proposals for a custom build or self-build type scheme on the site of the former Watergate School, off Church Grove in Lewisham Central.
- 4.3 Officers began working with the community to identify both potential self-builders and also local organisations or community groups that might support the development in May 2013. More than 200 households expressed an interest, including a large number of residents on the Council's housing register. In September 2013 the social enterprise *Our London* was appointed to act as a facilitator and to assist in assessing the various ways in which the scheme might be developed. Residents attended a discussion day and further detailed sessions were held in October 2013.
- 4.4 Residents expressed overwhelming support for a self-build group made up of a mixture of backgrounds and financial circumstances, although residents felt that the scheme should not be targeted at people who could otherwise afford to buy a home at full market value. While residents were not in a position to show a clear preference for any particular financial model, there was a commonly held desire for long term stability and a sense of 'ownership', for example transitioning from social rent to part-ownership in the same home, or through mutual or co-operative ownership. There was a strongly held desire for control by residents of the design process, and in some cases, control over other parts of the development process, although their financial circumstances meant most of them didn't want to be exposed themselves. There was a broad desire for control over the long term management of the completed scheme. Discussions also covered topics such as decision making; skills and time input; training and qualifications; sustainability; site layout and access; common areas; and design of homes.
- 4.5 On 4 March 2015, Mayor and Cabinet, agreed to take the development forward, by initiating an EU-compliant competitive dialogue process to select a not-for-profit community led organisation or consortium to act as the development lead and partner to the Council for the site, bringing together and organising residents to self-build a range of housing on the site.
- 4.6 In September 2015 Mayor and Cabinet selected RUSS to deliver a community led self-build housing scheme on the Church Grove site, following an OJEU compliant competitive dialogue process. The winning

bid that RUSS submitted committed them to build 33 affordable homes, including five for social rent, and a community hub that can be used by local people and will host workshops on community led development.

- 4.7 In March 2016 RUSS ran a ballot to select their resident group for the Church Grove project. The group of future residents selected at this event were then part of a community design process that ran for a year till March 2017, where the group worked with architects to design their future community.
- 4.8 The planning application was submitted in October 2017, and on June 7th 2018, RUSS were granted planning permission to deliver their self-build housing development. RUSS are now working towards starting on site in December 2018.
- 4.9 To support the delivery of the Church Grove scheme the GLA have agreed to give RUSS a grant of £988,000 from their Innovation Fund. To allow this grant to be made the Council need to underwrite the grant payment, to ensure that affordable housing in line with the grant agreement are delivered on the Church Grove site in the event that RUSS fails to do so. More information on the grant and the required underwriting is set out below.

5 Details of GLA Innovation Fund Grant

- 5.1 The GLA announced the Innovation Fund in Homes For Londoners Affordable Homes Programme 2016-21 Funding Guidance published in November 2016.
- 5.2 The fund is aimed to support innovative ways of delivering new affordable housing in London, with a particular focus on:
 - community-led housing;
 - offsite and precision manufacturing of homes;
 - new accommodation for homeless households.
- 5.3 As the Church Grove scheme is a clear example of an innovative way to deliver community-led housing the Council supported RUSS to make an application for the innovation fund.
- 5.4 The application that RUSS made was successful and the GLA have agreed to grant RUSS £988,000 from their Innovation Fund to deliver the following affordable housing:

Type of Affordable Housing	Property Size	Number of Homes
Social Rent	One-Bed	4
Social Rent	Four-Bed	1
London Living Rent	Three-Bed	2
Fixed Equity (80%)	One-Bed	8
Fixed Equity (80%)	Two-Bed	6

Shared Ownership	One-Bed	1
Shared Ownership	Two-Bed	4
Shared Ownership	Three-Bed	5
Shared Ownership	Four-Bed	2
Total		33

5.5 Further details of the Innovation Fund Grant and how it will be underwritten by the Council are set out in part 2 of this report.

6 Financial implications

6.1 The financial implications are set out in part 2 of this report.

7 Legal Implications

7.1 The Council is considering underwriting the Innovation Fund Grant awarded by the GLA to RUSS in accordance with the requirements of the GLA as set out in Part 2 of this report. This report sets out the reasons for that proposal.

7.2 It is within the Council's powers to take this action. 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 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).

7.3 General decision making principles require consideration of all relevant matters, including financial impact and risk.

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.

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.

- 7.6 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.
- 7.7 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. 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/publication-download/technical-guidance-public-sector-equality-duty-england>

<https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty-guidance>

8 **Crime and Disorder Implications**

- 8.1 There are no specific crime and disorder implications arising from this report. However it should be noted that community-led group self-build schemes in Britain have been shown to have lower level levels of crime and fear of crime than their surrounding areas.

9 **Equalities Implications**

- 9.1 Lewisham is a diverse borough made up of many different groups and individuals. There are many forms of discrimination affecting people’s lives. Some groups of people generally experience more discrimination than others.
- 9.2 The emphasis on affordable housing in this project should addresses inequalities in access to housing.

- 9.3 Age, Disability: The physical aspect of self-build construction work may impact these groups. Officers expect RUSS to consider these groups as part of their self-build enabling works, how they can be included in the process, and what different roles they could play, as part of a self-build group.
- 9.4 Gender, Ethnicity, Religion, Sexual Orientation: It is not expected that the project will impact these groups disproportionately. The proposals from RUSS provided clarification about the make-up and operation of their community membership, and equalities considerations in place within their organisation.
- 9.5 RUSS carried out their own process of consultation with stakeholders, and a full programme of community consultation. This information is available as part of their planning application.

10 Environmental Implications

- 10.1 There are no specific environmental implications arising from this report. However officers will encourage development partners to achieve high standards for energy efficiency and carbon reduction.
- 10.2 Any development would need to anticipate and respond to the potential impacts of climate change in relation to extreme weather events or flooding. The approach RUSS have taken to flood risk and flood mitigation measures are set out in their planning application.
- 10.3 The Church Grove site is currently contaminated due to former use as a metal foundry. Part of the works RUSS will carry out before starting on site will be to assess this contamination and to take appropriate remedial action.

11 Background documents and originator

- 11.1 If you would like any further information on this report please contact Jeff Endean, Housing Strategy and Programmes Manager on 020 8314 6213.